

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 152--81st Congress

Chapter 288--1st Session

H. R. 4754

TABLE OF CONTENTS

Digest of Public Law 152	1
Index and Summary of History on H. R. 4754	2
Act with analysis and Index, by General Services Admin.	

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT of 1949. Establishes the General Services Administration, and transfers to it functions of the Bureau of Federal Supply, Office of Contract Settlement, Federal Works Agency (including Public Buildings Admin., and Public Roads Admin.), National Archives, and War Assets Administration (for liquidation). Provides that the Administrator shall prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, etc. Provides, under certain circumstances, and subject to delegation of authority by the Administrator, for executive agencies to make negotiated purchases. Amends Sec. 3709, Revised Statutes, by increasing the open market limitation from \$100 to \$500. Without naming specific items or equipment, but subject to Administrator's regulations, authorizes exchanges or sales of similar items in acquiring personal property, with application of the exchange allowance or proceeds to the purchase price. Gives the Administrator authority governing disposition of surplus property; provides that he shall prescribe policies and methods to promote maximum utilization of excess property by executive agencies, and determine the fair value at which transfers of excess property shall be made between Federal agencies; and gives each executive agency having foreign excess property responsibility for its disposal. Authorizes the Administrator to make surveys of Government records, records management, and disposal practices and to promote, in cooperation with executive agencies, improved records management practices and controls in such agencies. Authorizes the Administrator to establish a Federal supply catalog system and provides that utilization of such system as well as standard purchase specifications shall be mandatory upon executive agencies, except as the Administrator shall otherwise provide. Repeals many old laws inconsistent with the Act and exempts certain agencies and programs from specific provisions of the Act.

February 16, 1949 H. R. 2781 was introduced by Rep. Dawson and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Similar bill).

February 17, 1949 S. 990 was introduced by Senator McClellan and was referred to the Senate Committee on Expenditures in the Executive Departments. Print of the bill as introduced. (Similar bill). Remarks of the author.

March 24, 1949 Hearings: House, H. R. 2781.

April 14, 1949 Hearings: Senate, S. 990 and S. 859.

May 9, 1949 Senator McClellan, from the Senate Committee on Expenditures in the Executive Departments, reported S. 1809. Senate Report 338. Print of the bill as reported. (Similar bill).

May 18, 1949 H. R. 4754 was introduced by Rep. Holifield and was referred to the House Committee on Expenditures in the Executive Departments. Print of the bill as introduced.

May 23, 1949 S. 1809 was discussed by Senator McClellan.

May 24, 1949 House Committee reported H. R. 4754 with amendments. House Report 670. Print of the bill as reported.

May 25, 1949 House Committee submitted minority report. House Report 670, Pt. 2.

May 27, 1949 House Committee reported House Resolution 230 for the consideration of H. R. 4754. House Report 693. Print of the resolution.

June 8, 1949 House debated and passed H. R. 4754 with amendments.

Senator McClellan, from the Senate Committee on Expenditures in the Executive Departments reported S. 2020. Senate Report 475. Print of the bill as reported. (Companion bill).

June 9, 1949 Print of H. R. 4754 as passed the House and placed on the Senate calendar.

June 17, 1949 Senate discussed S. 2020.

June 21, 1949 Senate debated and passed S. 2020 with amendments. Action on S. 2020 was vacated and language, as amended, inserted in H. R. 4754.

Senate Conferees appointed.

Print of the bill with the amendment of the Senate.

June 23, 1949 House Conferees appointed.

June 28, 1949 House received and agreed to the Conference Report. House Report 935.

June 29, 1949 Senate agreed to the Conference Report.

June 30, 1949 Approved. Public Law 152.

Act with analysis and index. by General Services Admin.

81ST CONGRESS
1ST SESSION

H. R. 2781

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 1949

Mr. DAWSON introduced the following bill; which was referred to the Committee on Expenditures in the Executive Departments

A BILL

To reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. That this Act may be cited as the "Federal
5 Property Act of 1949".

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

TITLE I—PROPERTY MANAGEMENT

Sec. 101. Transfer of the Bureau of Federal Supply to the Federal Works Agency and transfer for liquidation of the affairs of the War Assets Administration to the Federal Works Agency.

Sec. 102. Procurement, warehousing, and related activities.

Sec. 103. Property utilization.

Sec. 104. Disposal of surplus property.

Sec. 105. Proceeds from transfer or disposition of property.

Sec. 106. Policies, regulations, and delegations.

TABLE OF CONTENTS—Continued

TITLE I—PROPERTY MANAGEMENT—Continued

- Sec. 107. Surveys and standardization.
Sec. 108. Applicability of antitrust laws.
Sec. 109. Employment of personnel.
Sec. 110. Civil remedies and penalties.
Sec. 111. Reports to Congress.

TITLE II—FOREIGN EXCESS PROPERTY

- Sec. 201. Disposal of foreign excess property.
Sec. 202. Methods and terms of disposal.
Sec. 203. Proceeds; foreign currencies.
Sec. 204. Miscellaneous provisions.

TITLE III—GENERAL PROVISIONS

- Sec. 301. Applicability of existing procedures.
Sec. 302. Repeal and saving provisions.
Sec. 303. Authorization for appropriations.
Sec. 304. Separability.
Sec. 305. Effective date.

1 DECLARATION OF POLICY

SEC. 2. It is the intent of Congress in enacting this legis-
lation to provide for the Government an economic and
efficient system for (a) the procurement and supply of per-
sonal property and nonpersonal services; (b) the utilization
of available property; and (c) the disposal of surplus
property.

8 DEFINITIONS

9 SEC. 3. As used in this Act—

(a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

1 (b) The term “Federal agency” means any executive
2 agency or any establishment in the legislative or judicial
3 branch of the Government.

4 (c) The term “Administrator” means the Federal
5 Works Administrator.

6 (d) The term “property” means any interest in prop-
7 erty of any kind except (i) the public domain and lands
8 reserved or dedicated for national forest or national park
9 purposes; and (ii) naval vessels of the following categories:
10 Battleships, cruisers, aircraft carriers, destroyers, and sub-
11 marines.

12 (e) The term “excess property” means any property
13 under the control of any Federal agency which is not re-
14 quired for its needs and responsibilities, as determined by the
15 head thereof.

16 (f) The term “foreign excess property” means any
17 excess property located outside the continental United
18 States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

19 (g) The term “surplus property” means any excess
20 property not required for the needs and responsibilities of
21 the Federal Government, as determined by the Admin-
22 istrator.

1 (h) The term “care and handling” includes completing,
2 repairing, converting, rehabilitating, operating, preserving,
3 protecting, insuring, packing, storing, handling, and trans-
4 porting, and, in the case of property which is dangerous to
5 public health or safety, destroying or rendering innocuous
6 such property.

7 (i) The term “person” includes any corporation, part-
8 nership, firm, association, trust, estate, or other entity.

9 (j) The term “nonpersonal services” means such con-
10 tractual services, other than personal and professional serv-
11 ices, as the Administrator shall designate.

12 (k) The term “contractor inventory” means (i) any
13 property acquired by and in the possession of a contractor
14 or subcontractor under a contract pursuant to the terms of
15 which title is vested in the Government, and in excess of the
16 amounts needed to complete performance under such con-
17 tract; and (ii) any property which the Government is obli-
18 gated to take over under any type of contract as a result
19 either of any changes in the specifications or plans there-
20 under or of the termination of such contract (or subcontract
21 thereunder), prior to completion of the work, for the con-
22 venience or at the option of the Government.

TITLE I—PROPERTY MANAGEMENT

TRANSFER OF THE BUREAU OF FEDERAL SUPPLY TO THE
FEDERAL WORKS AGENCY AND TRANSFER FOR LIQUIDA-
TION OF THE AFFAIRS OF THE WAR ASSETS ADMINIS-
TRATION TO THE FEDERAL WORKS AGENCY

SEC. 101. (a) The Bureau of Federal Supply in the
Department of the Treasury and its functions, records, prop-
erty, personnel, obligations, and commitments, are hereby
transferred from the Department of the Treasury to the
Federal Works Agency, together with such additional rec-
ords, property, and personnel of the Department of the
Treasury as the Director of the Bureau of the Budget shall
determine to relate primarily to functions transferred by
this subsection or vested in the Administrator by this title.
There shall be at the head of such Bureau a Commissioner
of Federal Supply, who shall be appointed by the Adminis-
trator and who shall receive compensation at the rate of
\$10,000 per annum. The functions of (i) the Director of
the Bureau of Federal Supply, (ii) the personnel of such
Bureau, and (iii) the Secretary of the Treasury, relating
to the Bureau of Federal Supply, are hereby transferred
to the Administrator.

1 (b) The functions of the Director of Contract Settle-
2 ment and of the Office of Contract Settlement, transferred
3 to the Secretary of the Treasury by Reorganization Plan
4 Numbered 1 of 1947, are transferred to the Administrator
5 and shall be performed by him or, subject to his direction
6 and control, by such officers and agencies of the Federal
7 Works Agency as he may designate. The Contract Settle-
8 ment Act Advisory Board created by section 5 of the
9 Contract Settlement Act of 1944 (58 Stat. 649) and the
10 Appeal Board established under section 13 (d) of that Act
11 are transferred from the Department of the Treasury to the
12 Federal Works Agency, but the functions of the Boards
13 shall be performed by them, respectively, under conditions
14 and limitations otherwise prescribed by law. There shall
15 also be transferred to the Federal Works Agency such
16 records, property, personnel, obligations, commitments, and
17 unexpended balances (available or to be made available)
18 of appropriations, allocations, and other funds of the Treas-
19 ury Department as the Director of the Bureau of the Budget
20 shall determine to relate primarily to the functions trans-
21 ferred by the provisions of this subsection.

22 (c) The functions, records, property, personnel, obli-
23 gations, and commitments of the War Assets Administration
24 are hereby transferred to the Federal Works Agency. The
25 functions of the War Assets Administrator are hereby trans-

1 ferred to the Federal Works Administrator. The War
2 Assets Administration and the office of the War Assets Ad-
3 ministrator are hereby abolished. All rights, with respect
4 to employment by the Government, of the personnel trans-
5 ferred by this subsection shall be neither greater nor less by
6 virtue of such transfer than such rights would have been
7 had the War Assets Administration continued as an inde-
8 pendent agency of the Government. Personnel now holding
9 appointments granted under section 5 (b) of the Surplus
10 Property Act of 1944, as amended, may be continued in
11 such positions or may be appointed to similar positions for
12 such time as the Administrator may determine.

13 (d) All unexpended balances of appropriations, alloca-
14 tions, or other funds available or to be made available, for
15 the use of the Bureau of Federal Supply and of the War
16 Assets Administration, and so much of the other unexpended
17 balances of appropriations, allocations, or other funds of the
18 Department of the Treasury, available or to be made avail-
19 able, as the Director of the Bureau of the Budget shall de-
20 termine to relate primarily to functions transferred from such
21 Department or vested in the Administrator by the provisions
22 of this title, shall be transferred to the Federal Works Agency
23 for use in connection with said functions.

24 (e) The Administrator is hereby authorized, in his
25 discretion, in order to provide for the effective accomplish-

1 ment of the functions transferred by this section or vested in
2 him by this title, and from time to time, to reorganize the
3 several bureaus and administrations within the Federal
4 Works Agency, to regroup, transfer, and distribute any
5 such functions within the Federal Works Agency, and with
6 the approval of the Director of the Bureau of the Budget
7 to make appropriate transfers of funds in connection
8 therewith.

9 (f) Any other provision of this section notwithstand-
10 ing, there may be retained in the Department of the Treasury
11 any function referred to in subsection (a) of this section
12 which the Director of the Bureau of the Budget shall, within
13 ten days after the effective date of this Act, determine to
14 be essential to the orderly administration of the affairs of
15 the agencies of such Department, other than the Bureau of
16 Federal Supply, together with such records, property, per-
17 sonnel, obligations, commitments, and unexpended balances
18 of appropriations, allocations, and other funds, available or
19 to be made available, of said Department, as said Director
20 shall determine.

21 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

22 SEC. 102. (a) The Administrator shall, in respect of
23 executive agencies, and to the extent that he determines

1 that so doing is advantageous to the Government in terms
2 of economy, efficiency, or service, and with due regard to
3 the program activities of the agencies concerned—

4 (i) prescribe policies and methods of procurement
5 of personal property and nonpersonal services, and of
6 warehousing, stocking, transportation, and distribution
7 of personal property; and

8 (ii) operate, and after consultation with the execu-
9 tive agencies affected, consolidate, take over, or arrange
10 for the operation by any executive agency of, ware-
11 houses, supply centers, repair shops, fuel yards, and
12 other similar facilities; and

13 (iii) procure personal property and nonpersonal
14 services; and

15 (iv) advise all executive agencies on traffic man-
16 agement and as to reasonableness of carriers' rates and
17 charges, and represent all such agencies in negotiating
18 rates and charges with carriers and in proceedings in-
19 volving carriers' rates and charges before Federal and
20 State regulatory bodies;

21 *Provided*, That the Secretary of Defense may from time to
22 time, and unless the President shall otherwise direct, except

1 the National Military Establishment from action taken or
2 which may be taken by the Administrator under clauses (i),
3 (ii), (iii), and (iv) above whenever he determines such
4 exception to be in the best interests of national security.

5 (b) The Administrator may provide any of the services
6 specified in subsection (a) of this section to any other Fed-
7 eral agency, mixed ownership corporation (as defined in the
8 Government Corporation Control Act), or the District of
9 Columbia, upon its request.

10 PROPERTY UTILIZATION

11 SEC. 103. (a) In order to minimize expenditures for
12 property, the Administrator shall prescribe policies and
13 methods to promote the maximum utilization of excess prop-
14 erty by executive agencies, and he shall provide for the
15 transfer of excess property among Federal agencies.

16 (b) Each executive agency shall (i) maintain ade-
17 quate inventory controls and accountability systems for the
18 property under its control, (ii) continuously survey property
19 under its control to determine which is excess property, and
20 (iii) perform the care and handling of such excess property.

21 (c) Each executive agency shall, when appropriate, (i)
22 make reassignments of property among activities within the
23 agency when such property is determined to be no longer
24 required for the purposes of the appropriation from which
25 it was purchased, (ii) transfer excess property under its

1 control to other Federal agencies, and (iii) obtain excess
2 property from other Federal agencies.

3 (d) Under existing provisions of law and procedures
4 defined by the Secretary of Defense, and without regard to
5 the requirements of this section except subsection (f), excess
6 property of one of the departments of the National Military
7 Establishment may be transferred to another department
8 thereof.

9 (e) Transfers of excess property between Federal
10 agencies (except transfers for distribution among Federal
11 agencies or for disposal as surplus property) shall be at
12 the fair value thereof, as determined by, or pursuant to
13 regulations of, the Administrator, unless such transfer is
14 otherwise authorized by law without reimbursement or
15 transfer of funds.

16 (f) The Director of the Bureau of the Budget shall
17 prescribe regulations providing for the reporting to said
18 Director by executive agencies of such reassignments or
19 transfers of property between activities financed by different
20 appropriations as he shall deem appropriate, and the reas-
21 signments and transfers so reported shall be reported to
22 the Congress in the annual budget or otherwise as said
23 Director may determine.

24 (g) Whenever the Administrator determines that the
25 assignment or reassignment of any space in excess real

1 property to any Federal agency for office, storage, or related
2 facilities would be more advantageous than the permanent
3 transfer of such property, he may make such assignment
4 or reassignment for such period of time as he shall determine
5 and obtain therefrom, in the absence of appropriation avail-
6 able to him therefor, appropriate reimbursement for the
7 expense of maintaining such space.

8 (h) The Administrator may authorize the abandon-
9 ment, destruction, or donation to public bodies of property
10 which has no commercial value or the estimated cost of
11 care and handling of which would exceed the estimated
12 proceeds from its sale.

13 DISPOSAL OF SURPLUS PROPERTY

14 SEC. 104. (a) Except as provided in subsection (i)
15 of this section, the Administrator shall have supervision and
16 direction over the disposition of surplus property. Such
17 property shall be disposed of to such extent, at such time,
18 in such areas, by such agencies, at such terms and condi-
19 tions, and in such manner, as may be prescribed in or
20 pursuant to this Act.

21 (b) The care and handling of surplus property, pend-
22 ing its disposition, may be performed by the Federal Works
23 Agency or, when so determined by the Administrator, by
24 the executive agency in possession thereof or by any other
25 executive agency consenting thereto.

1 (c) Any executive agency designated or authorized by
2 the Administrator to dispose of surplus property may do
3 so by sale, exchange, lease, or transfer, for cash or credit,
4 with or without warranty, and upon such other terms and
5 conditions as the Administrator deems proper, and it may
6 execute such documents for the transfer of title or other
7 interest in property and take such other action as it deems
8 necessary or proper to dispose of such property under the
9 provisions of this title.

10 (d) A deed, bill of sale, lease, or other instrument
11 executed by or on behalf of any executive agency purport-
12 ing to transfer title or any other interest in property under
13 this title shall be conclusive evidence of compliance with
14 the provisions of this title insofar as title or other interest
15 of any grantee or transferee is concerned.

16 (e) Unless the Administrator shall determine that
17 disposal by advertising will in a given case better protect
18 the public interest, surplus property disposals may be made
19 without regard to any provision of existing law for adver-
20 tising until 12 o'clock noon, eastern standard time, December
21 31, 1949.

22 (f) Subject to regulations of the Administrator, any
23 executive agency may authorize any contractor with such
24 agency or subcontractor thereunder to retain or dispose
25 of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 105 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices,

1 whichever may be the higher; and the Commodity Credit
2 Corporation may dispose of or cause to be disposed of for
3 cash or its equivalent in goods or for adequately secured
4 credit, for export only, and at competitive world prices, any
5 farm commodity or product thereof without regard to re-
6 strictions with respect to the disposal of commodities im-
7 posed upon it by any law: *Provided*, That no food or food
8 product shall be sold or otherwise disposed of under this sub-
9 section for export (i) if there is a shortage of such food or
10 food product in the United States or if such sale or other
11 disposition may result in such a shortage, or (ii) if such
12 food or food product is needed to supply the normal demands
13 of consumers in the United States.

14 (i) The United States Maritime Commission shall dis-
15 pose of surplus vessels of one thousand five hundred gross
16 tons or more which the Commission determines to be mer-
17 chant vessels or capable of conversion to merchant use, and
18 such vessels shall be disposed of only in accordance with
19 the provisions of the Merchant Marine Act, 1936, as
20 amended, and other laws authorizing the sale of such vessels.

21 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

22 SEC. 105. (a) All proceeds under this title from any
23 transfer of excess property to a Federal agency for its use,
24 or from any sale, lease, or other disposition of surplus prop-
25 erty, shall be covered into the Treasury as miscellaneous

1 receipts, except as provided in subsections (b), (c), and
2 (d) of this section.

3 (b) Where the property transferred or disposed of was
4 acquired by the use of funds either not appropriated from
5 the general fund of the Treasury or appropriated therefrom
6 but by law reimbursable from assessment, tax, or other
7 revenue or receipts, then the net proceeds of the disposition
8 or transfer shall be credited to the reimbursable fund or ap-
9 propriation or paid to the Federal agency which determined
10 such property to be excess: *Provided*, That the proceeds
11 shall be credited to miscellaneous receipts in any case when
12 the agency which determined the property to be excess shall
13 deem it uneconomical or impractical to ascertain the amount
14 of net proceeds. As used in this subsection the term "net
15 proceeds of the disposition or transfer" means the proceeds
16 of the disposition or transfer minus all expenses incurred
17 for care and handling and disposition or transfer.

18 (c) Any Federal agency disposing of surplus property
19 under this title (i) may deposit, in a special account with
20 the Treasurer of the United States, such amount of the pro-
21 ceeds of such dispositions as it deems necessary to permit
22 appropriate refunds to purchasers when any disposition is
23 rescinded or does not become final, or payments for breach
24 of any warranty, and (ii) may withdraw therefrom amounts

1 so to be refunded or paid, without regard to the origin of the
2 funds withdrawn.

3 (d) Where any contract entered into by an executive
4 agency or any subcontract under such contract authorizes
5 the proceeds of any sale of property in the custody of the
6 contractor or subcontractor to be credited to the price or cost
7 of the work covered by such contract or subcontract, the
8 proceeds of any such sale shall be credited in accordance
9 with the contract or subcontract.

10 (e) Where any mortgage, lien, or other interest as
11 security is retained in connection with any disposition of
12 surplus property under this title, the Administrator shall
13 preserve and manage such security and may enforce and
14 settle any right of the Government with respect thereto in
15 such manner and upon such terms as he deems in the best
16 interest of the Government.

17 POLICIES, REGULATIONS, AND DELEGATIONS

18 SEC. 106. (a) The President may prescribe such
19 policies, not inconsistent with the provisions of this title, as
20 he shall deem necessary to effectuate the provisions of this
21 title, which policies shall guide the Administrator and execu-
22 tive agencies in carrying out their respective functions
23 hereunder.

1 (b) The Administrator shall prescribe such regulations
2 as he deems necessary to effectuate his functions under this
3 title, and the head of each Federal agency shall cause to
4 be issued such orders and directives as he deems necessary
5 to carry out such regulations.

6 (c) The Administrator is authorized to delegate and to
7 authorize successive redelegation of any authority transferred
8 to or vested in him by this title (except for the authority
9 to issue regulations on matters of policy having application
10 to executive agencies and the authority contained in sub-
11 section 101 (e)) to any official in the Federal Works
12 Agency or to the head of any other Federal agency.

13 (d) With respect to any function transferred to or
14 vested in the Federal Works Agency or the Administrator
15 by this title, the Administrator may (i) direct the under-
16 taking of its performance by the Federal Works Agency or
17 by any constituent organization therein which he may desig-
18 nate or establish; or (ii) designate and authorize any execu-
19 tive agency to perform such function for itself; or (iii)
20 designate and authorize any other executive agency to per-
21 form such function; or (iv) provide for such performance
22 by any combination of the foregoing methods. Any desig-
23 nation, assignment, or transfer of functions by the Adminis-
24 trator to another executive agency under this section shall

1 be made only with the consent of the executive agency
2 concerned.

3 (e) When any executive agency (including the Federal
4 Works Agency and constituent organizations thereof) is
5 authorized and directed by the Administrator to carry out
6 any function under this title, the Administrator may, with
7 the approval of the Director of the Bureau of the Budget,
8 provide for the transfer of appropriate personnel, records,
9 property, and funds of the Federal Works Agency, or of
10 such other executive agency as has theretofore carried out
11 such function, to the executive agency so authorized and
12 directed.

13 (f) The Administrator may establish industry advisory
14 committees to advise with him with respect to any function
15 transferred to or vested in the Administrator by this Act.
16 The members thereof shall serve without compensation but
17 shall be entitled to transportation and not to exceed \$25
18 per diem in lieu of subsistence, as authorized by section 5
19 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
20 persons so serving.

21 (g) The Administrator shall advise and consult with
22 interested Federal agencies with a view to obtaining their
23 advice and assistance in carrying out the purposes of this
24 title.

SURVEYS AND STANDARDIZATION

1
2 SEC. 107. (a) As he may deem necessary for the effec-
3 tuation of his functions under this title, and after adequate
4 advance notice to the agencies affected, and with due regard
5 to the requirements of the National Military Establishment
6 as determined by the Secretary of Defense, the Adminis-
7 trator is authorized (i) to make surveys of Government
8 property and management practices with respect thereto, and
9 obtain reports thereon from executive agencies; (ii) to estab-
10 lish and maintain such uniform Federal supply catalog system
11 to identify and classify personal property under the control
12 of Federal agencies as may be appropriate; and (iii) to pre-
13 scribe standardized forms and procedures, except such as the
14 Comptroller General is authorized by law to prescribe, and
15 standard purchase specifications.

16 (b) Each executive agency shall utilize such uniform
17 Federal supply catalog system and standard purchase speci-
18 fications as far as practicable, taking into consideration
19 efficiency, economy, and other interests of the Government.

APPLICABILITY OF ANTITRUST LAWS

20
21 SEC. 108. Whenever any executive agency shall begin
22 negotiations for the disposition to non-Federal interests,
23 public or private, of a plant or plants, or other property,
24 which cost the Government \$1,000,000 or more, or of
25 patents, processes, techniques, or inventions, irrespective of

1 cost, the executive agency shall promptly notify the Attorney
2 General of the proposed disposal and the probable terms or
3 conditions thereof. Within a reasonable time, in no event
4 to exceed ninety days after receiving such notification, the
5 Attorney General shall advise the Administrator and the
6 interested executive agency whether, insofar as he can deter-
7 mine, the proposed disposition would tend to create or main-
8 tain a situation inconsistent with the antitrust laws. Upon
9 the request of the Attorney General, the Administrator or
10 interested executive agency shall furnish or cause to be
11 furnished such information as it may possess which the
12 Attorney General determines to be appropriate or necessary
13 to enable him to give the advice called for by this section
14 or to determine whether any other disposition of surplus
15 property violates the antitrust laws. Nothing in this Act
16 shall impair, amend, or modify the antitrust laws or limit
17 and prevent their application to persons who buy or other-
18 wise acquire property under the provisions of this Act. As
19 used in this section, the term "antitrust laws" includes the
20 Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended;
21 the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as
22 amended; the Federal Trade Commission Act, as amended;
23 and sections 73 and 74 of the Act of August 27, 1894
24 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

1
2 SEC. 109. (a) The Administrator is authorized, sub-
3 ject to the civil-service and classification laws, to appoint
4 and fix the compensation of such personnel as may be
5 necessary to carry out the provisions of this title.

6 (b) To such extent as he finds necessary to carry out
7 the provisions of this title, the Administrator is hereby
8 authorized to procure the temporary (not in excess of one
9 year) or intermittent services of experts or consultants or
10 organizations thereof, including stenographic reporting
11 services, by contract, and in such cases such service shall
12 be without regard to the civil-service and classification laws,
13 and, except in the case of stenographic reporting services
14 by organizations, without regard to section 3709, Revised
15 Statutes, as amended.

16 (c) Notwithstanding the provisions of section 1222 of
17 the Revised Statutes (10 U. S. C. 576) or of any other
18 provision of law, the Administrator in carrying out the
19 functions imposed upon him by this Act is authorized to
20 utilize in his agency the services of officials and officers in
21 other executive agencies, including personnel of the armed
22 services, with the consent of the head of the agency
23 concerned.

CIVIL REMEDIES AND PENALTIES

24
25 SEC. 110. (a) Where any property is transferred or

1 disposed of in accordance with this Act and any regulations
2 prescribed hereunder, no officer or employee of the Govern-
3 ment shall (i) be liable with respect to such transfer or
4 disposition except for his own fraud, or (ii) be accountable
5 for the collection of any purchase price which is determined
6 to be uncollectible by the Federal agency responsible
7 therefor.

8 (b) Every person who shall use or engage in, or cause
9 to be used or engaged in, any fraudulent trick, scheme, or
10 device, for the purpose of securing or obtaining, or aiding
11 to secure or obtain, for any person any payment, property,
12 or other benefits from the United States or any Federal
13 agency in connection with the procurement, transfer, or
14 disposition of property hereunder, or who enters into an
15 agreement, combination, or conspiracy to do any of the
16 foregoing—

17 (i) shall pay to the United States the sum of
18 \$2,000 for each such act, and double the amount of any
19 damage which the United States may have sustained
20 by reason thereof, together with the costs of suit; or

21 (ii) shall, if the United States shall so elect, pay
22 to the United States, as liquidated damages, a sum equal
23 to twice the consideration agreed to be given by the
24 United States or any Federal agency to such person or

1 by such person to the United States or any Federal
2 agency, as the case may be; or

3 (iii) shall, if the United States shall so elect, re-
4 store to the United States the money or property thus
5 secured and obtained and the United States shall retain
6 as liquidated damages any property, money, or other
7 consideration given to the United States or any Federal
8 agency for such money or property, as the case may be.

9 (c) The several district courts of the United States,
10 the District Court of the United States for the District of
11 Columbia, and the several district courts of the Territories
12 and possessions of the United States, within whose jurisdic-
13 tional limits the person, or persons, doing or committing
14 such act, or any one of them, resides or shall be found, shall
15 wheresoever such act may have been done or committed,
16 have full power and jurisdiction to hear, try, and determine
17 such suit.

18 (d) The civil remedies provided in this section shall be
19 in addition to all other criminal penalties and civil remedies
20 provided by law.

21 REPORTS TO CONGRESS

22 SEC. 111. The Administrator shall submit a report to
23 the Congress, in January of each year, regarding the admin-
24 istration of his functions under this title, together with such

1 recommendations for amendments to this title as he may
2 deem appropriate.

3 TITLE II—FOREIGN EXCESS PROPERTY

4 DISPOSAL OF FOREIGN EXCESS PROPERTY

5 SEC. 201. Each executive agency having foreign excess
6 property shall be responsible for the disposal thereof:
7 *Provided*, That (a) the head of each such executive
8 agency shall, with respect to the disposition of such
9 property, conform to the foreign policy of the United
10 States; (b) the Secretary of State shall, in order to
11 effectuate the purposes of section 32 (b) (2) of the
12 Surplus Property Act of 1944, as amended, and the
13 Foreign Service Buildings Act of May 7, 1926, as amended
14 (including Public Law 547, Seventy-ninth Congress (60
15 Stat. 663)), and for the purpose of paying any other govern-
16 mental expenses payable in local currencies, have the au-
17 thority to use foreign currencies and credits acquired by the
18 United States under section 202 (b) of this Act for pur-
19 poses of section 32 (b) (2) of the Surplus Property Act
20 of 1944, as amended, and to amend, modify, and renew
21 agreements in effect on the effective date of this Act; (c)
22 any foreign currencies or credits acquired by the Depart-
23 ment of State pursuant to such agreements shall be admin-
24 istered in accordance with procedures that may from time

1 to time be established by the Secretary of the Treasury
2 and, if and when reduced to United States currency, shall
3 be covered into the Treasury as miscellaneous receipts;
4 and (d) the Department of State shall, except to such
5 extent as the President shall otherwise determine, continue
6 to perform other functions with respect to agreements for the
7 disposal of foreign excess property in effect on the effective
8 date of this Act.

9 METHODS AND TERMS OF DISPOSAL

10 SEC. 202. Foreign excess property may be disposed of
11 (a) by sale, exchange, lease, or transfer, for cash, credit,
12 or other property, with or without warranty and upon
13 such other terms and conditions as the head of the executive
14 agency concerned deems proper; but in no event shall any
15 agricultural commodity, food, or cotton or woolen goods,
16 be sold without a condition forbidding their importation
17 into the United States, unless the Secretary of Agriculture
18 determines that such property is in short supply in this
19 country, or (b) for foreign currencies or credits, or sub-
20 stantial benefits or the discharge of claims resulting from
21 the compromise, or settlement of such claims by any execu-
22 tive agency in accordance with the law, whenever the head
23 of the executive agency concerned determines that it is in
24 the interest of the United States to do so. Such property
25 may be disposed of without advertising when the head of

1 the executive agency concerned finds so doing to be most
2 practicable and to be advantageous to the Government. The
3 head of each executive agency responsible for the disposal
4 of foreign excess property may execute such documents for
5 the transfer of title or other interest in property and take
6 such other action as he deems necessary or proper to dispose
7 of such property; and may authorize the abandonment,
8 destruction, or donation of foreign excess property under
9 his control which has no commercial value or the estimated
10 cost of care and handling of which would exceed the
11 estimated proceeds from its sale.

12 PROCEEDS, FOREIGN CURRENCIES

13 SEC. 203. Proceeds from the sale, lease, or other dis-
14 position of foreign excess property, (a) shall, if in the form
15 of foreign currencies or credits, be administered in accordance
16 with procedures that may from time to time be established
17 by the Secretary of the Treasury, and (b) shall, if in United
18 States currency, or when any proceeds in foreign currencies
19 or credits shall be reduced to United States currency, be
20 covered into the Treasury as miscellaneous receipts: *Pro-*
21 *vided*, That the provisions of section 105 (b) (which by
22 their terms apply to surplus property disposed of under title
23 I) shall be applicable to proceeds of foreign excess property
24 disposed of for United States currency under this title II:
25 *And provided further*, That any executive agency disposing

1 of surplus property under this title (i) may deposit, in a
2 special account with the Treasurer of the United States, such
3 amount of the proceeds of such dispositions as it deems neces-
4 sary to permit appropriate refunds to purchasers when any
5 disposition is rescinded or does not become final, or pay-
6 ments for breach of any warranty, and (ii) may withdraw
7 therefrom amounts so to be refunded or paid, without regard
8 to the origin of the funds withdrawn.

9

MISCELLANEOUS PROVISIONS

10 SEC. 204. (a) The President may prescribe such pol-
11 icies, not inconsistent with the provisions of this title, as he
12 shall deem necessary to effectuate the provisions of this title,
13 which provisions shall guide each executive agency in carry-
14 ing out its functions hereunder.

15 (b) Any authority conferred upon any executive agency
16 or the head thereof by the provisions of this title may be
17 delegated, and successive redelegation thereof may be author-
18 ized, by such head to any official in such agency or to the
19 head of any other executive agency.

20 (c) The head of each executive agency responsible for
21 the disposal of foreign excess property hereunder may, as
22 may be necessary to carry out his functions under this title,
23 (i) subject to the civil service and classification laws, appoint
24 and fix the compensation of personnel, and (ii) without
25 regard to the civil service and classification laws, appoint

1 and fix the compensation of personnel outside the continental
2 limits of the United States.

3 (d) Each executive agency responsible for the disposal
4 of foreign excess property under this title shall submit a
5 report to Congress in January of each year relative to its
6 activities under this title, together with any appropriate
7 recommendations.

8 (e) There shall be transferred from the Department
9 of State to each other executive agency affected by this
10 title such records, property, personnel, obligations, commit-
11 ments, and unexpended balances of appropriations, alloca-
12 tions, and other funds, available or to be made available,
13 as the Director of the Bureau of the Budget shall determine
14 to relate to functions of such agency under this title which
15 have heretofore been administered by the Department of
16 State.

17 TITLE III—GENERAL PROVISIONS

18 APPLICABILITY OF EXISTING PROCEDURES

19 SEC. 301. All policies and procedures prescribed (a) by
20 either the Director, Bureau of Federal Supply, or the Secre-
21 tary of the Treasury and relating to procurement, ware-
22 housing, stocking, transportation, or distribution of personal
23 property and of nonpersonal services and (b) by any officer
24 of the Government under the authority of the Surplus
25 Property Act of 1944, as amended, or under other authority

1 with respect to surplus property or foreign excess property,
2 in effect upon the effective date of this Act and not incon-
3 sistent herewith, shall remain in full force and effect unless
4 and until superseded, or except as they may be amended,
5 under the authority of this Act or under other appropriate
6 authority.

7 REPEAL AND SAVING PROVISIONS

8 SEC. 302. (a) There are hereby repealed (i) the Sur-
9 plus Property Act of 1944, as amended (except sections
10 13 (g), 28, and 32 (b) (2)), and sections 501 and 502
11 of Reorganization Plan Numbered 1 of 1947: *Provided*,
12 That, with respect to the disposal under this Act of any sur-
13 plus real estate, all priorities and preferences provided for
14 in said Act, as amended, shall continue in effect until 12
15 o'clock noon, eastern standard time, December 31, 1949;
16 (ii) that portion of the Act entitled "An Act making sup-
17 plemental appropriations for the Executive Office and sundry
18 independent executive bureaus, boards, commissions, and
19 offices, for the fiscal year ending June 30, 1949, and for
20 other purposes", approved June 30, 1948 (Public Law 862,
21 Eightieth Congress), appearing under the caption "Surplus
22 Property Disposal"; (iii) the Act entitled "An Act to
23 authorize the Secretary of War to dispose of material no
24 longer needed by the Army", approved February 28, 1936
25 (49 Stat. 1147; U. S. C., title 10, sec. 1258); (iv) the

1 Act entitled "An Act to authorize the Secretary of the Navy
2 to dispose of material no longer needed by the Navy",
3 approved May 23, 1930, as amended (46 Stat. 378; U. S. C.,
4 title 34, sec. 546c) ; (v) section 5 of the Act of July 11,
5 1919, chapter 6, Forty-first Statutes, 67 (40 U. S. C. 311) ;
6 and (vi) section 1 of the Act of December 20, 1928, chapter
7 39, Forty-fifth Statutes, 1030 (40 U. S. C. 311a).

8 (b) The provisions of the first, third, and fifth para-
9 graphs of section 1 of Executive Order Numbered 6166 of
10 June 10, 1933, are hereby superseded, insofar as they relate
11 to any function now administered by the Bureau of Federal
12 Supply except functions with respect to standard contract
13 forms.

14 (c) The authority conferred by this Act is in addition
15 to any authority conferred by any other law and shall not
16 be subject to the provisions of any law inconsistent herewith.

17 (d) Nothing in this Act shall impair or affect any
18 authority of—

19 (1) the President under the Philippine Property
20 Act of 1946;

21 (2) any executive agency with respect to any
22 program conducted for purposes of resale, price sup-
23 port, grants to farmers, stabilization, transfer to foreign
24 governments, or foreign aid, relief, or rehabilitation;

25 (3) the National Military Establishment with re-

1 spect to property required for or located in occupied
2 territories;

3 (4) the Secretary of the Army, the Secretary of
4 the Navy, and the Secretary of the Air Force to make
5 donations for educational purposes as authorized by
6 the Act entitled "An Act to authorize the Secretary of
7 the Army, the Secretary of the Navy, and the Secretary
8 of the Air Force to donate excess and surplus property
9 for educational purposes", approved July 2, 1948
10 (Public Law 889, Eightieth Congress) ;

11 (5) the Munitions Board (in the National Military
12 Establishment) with respect to stock piling of critical
13 and strategic materials;

14 (6) the Secretary of State under the Foreign Serv-
15 ice Buildings Act of May 7, 1926, as amended;

16 (7) the Secretary of Agriculture or the Depart-
17 ment of Agriculture under (a) the National School
18 Lunch Act (60 Stat. 230) ; (b) the Farmers Home
19 Administration Act of 1946 (60 Stat. 1062) ; (c) the
20 Act of August 31, 1947, Public Law 298, Eightieth
21 Congress, with respect to the disposal of labor supply
22 centers, and labor homes, labor camps, or facilities; or
23 (d) section 32 of the Act of August 24, 1935 (49
24 Stat. 774) , as amended, with respect to the exportation
25 and domestic consumption of agricultural products;

(8) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(9) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(10) the Tennessee Valley Authority with respect to nonpersonal services and with respect to any property acquired for or in connection with any program of processing, manufacture, production, or force account construction;

(11) the Atomic Energy Commission;

(12) except as provided in subsection (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by, other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under

1 any such law, whenever but only to the extent he deems
2 such action necessary to effectuate the provisions of
3 title I; nor

4 (13) for such periods of time as the President
5 may specify, any other authority of any executive
6 agency which the President determines within one year
7 after the effective date of this Act should, in the public
8 interest, stand unimpaired by this Act.

9 (e) The Administrator shall report to the Congress,
10 from time to time, the laws becoming obsolete by reason
11 of the passage or operation of title I of this Act.

12 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER
13 AUTHORITY

14 SEC. 303. (a) There are hereby authorized to be ap-
15 propriated such sums as may be necessary to carry out the
16 provisions of this Act.

17 (b) When authorized by the Director of the Bureau of
18 the Budget, any Federal agency may use, for the disposition
19 of property under this Act, and for its care and handling
20 pending such disposition, any funds heretofore or hereafter
21 appropriated, allocated, or available to it for purposes similar
22 to those provided for in sections 102, 103, 104, and 106
23 of this Act.

24 SEPARABILITY

25 SEC. 304. If any provision of this Act, or the application

1 thereof to any person or circumstances, is held invalid, the
2 remainder of this Act, and the application of such provision
3 to other persons or circumstances, shall not be affected
4 thereby.

5 EFFECTIVE DATE

6 SEC. 305. This Act shall become effective on February
7 28, 1949.

81ST CONGRESS
1ST Session

H. R. 2781

A BILL

To reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes.

By Mr. DAWSON

FEBRUARY 16, 1949

Referred to the Committee on Expenditures in the
Executive Departments

S. 990

Mr. McCLELLAN introduced the following bill; which was read twice and referred to the Committee on Expenditures in the Executive Departments

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 That this Act may be cited as the “Federal Property
5 Act of 1949”.

Sec. 106. Policies, regulations, and delegations.

TABLE OF CONTENTS—Continued

- Sec. 107. Surveys and standardization.
- Sec. 108. Applicability of antitrust laws.
- Sec. 109. Employment of personnel.
- Sec. 110. Civil remedies and penalties.
- Sec. 111. Reports to Congress.

TITLE II—FOREIGN EXCESS PROPERTY

- Sec. 201. Disposal of foreign excess property.
 Sec. 202. Methods and terms of disposal.
 Sec. 203. Proceeds; foreign currencies.
 Sec. 204. Miscellaneous provisions.

TITLE III—GENERAL PROVISIONS

- Sec. 301. Applicability of existing procedures.
 Sec. 302. Repeal and saving provisions.
 Sec. 303. Authorization for appropriations.
 Sec. 304. Separability.
 Sec. 305. Effective date.

1 DECLARATION OF POLICY

- 2 SEC. 2. It is the intent of Congress in enacting this legis-
3 lation to provide for the Government an economic and effi-
4 cient system for (a) the procurement and supply of per-
5 sonal property and nonpersonal services; (b) the utilization
6 of available property; and (c) the disposal of surplus prop-
7 erty.

8 DEFINITIONS

- 9 SEC. 3. As used in this Act—

- (a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

- 14 (b) The term “Federal agency” means any executive

1 agency or any establishment in the legislative or judicial
2 branch of the Government.

3 (c) The term "Administrator" means the Federal
4 Works Administrator.

5 (d) The term "property" means any interest in prop-
6 erty of any kind except (i) the public domain and lands
7 reserved or dedicated for national forest or national park
8 purposes; and (ii) naval vessels of the following categories:
9 Battleships, cruisers, aircraft carriers, destroyers, and
10 submarines.

11 (e) The term "excess property" means any property
12 under the control of any Federal agency which is not required
13 for its needs and responsibilities, as determined by the head
14 thereof.

15 (f) The term "foreign excess property" means any
16 excess property located outside the continental United States,
17 Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

18 (g) The term "surplus property" means any excess
19 property not required for the needs and responsibilities of
20 the Federal Government, as determined by the Adminis-
21 trator.

22 (h) The term "care and handling" includes completing,
23 repairing, converting, rehabilitating, operating, preserving,

1 protecting, insuring, packing, storing, handling, and trans-
2 porting, and, in the case of property which is dangerous to
3 public health or safety, destroying or rendering innocuous
4 such property.

5 (i) The term “person” includes any corporation, part-
6 nership, firm, association, trust, estate, or other entity.

7 (j) The term “nonpersonal services” means such con-
8 tractual services, other than personal and professional serv-
9 ices, as the Administrator shall designate.

10 (k) The term “contractor inventory” means (i) any
11 property acquired by and in the possession of a contractor
12 or subcontractor under a contract pursuant to the terms of
13 which title is vested in the Government, and in excess of the
14 amounts needed to complete performance under such con-
15 tract; and (ii) any property which the Government is
16 obligated to take over under any type of contract as a result
17 either of any changes in the specifications or plans there-
18 under or of the termination of such contract (or subcontract
19 thereunder), prior to completion of the work, for the con-
20 venience or at the option of the Government.

1 TITLE I—PROPERTY MANAGEMENT

2 TRANSFER OF THE BUREAU OF FEDERAL SUPPLY TO THE
3 FEDERAL WORKS AGENCY AND TRANSFER FOR LIQUI-
4 DATION OF THE AFFAIRS OF THE WAR ASSETS ADMIN-
5 ISTRATION TO THE FEDERAL WORKS AGENCY

6 SEC. 101. (a) The Bureau of Federal Supply in the
7 Department of the Treasury and its functions, records, prop-
8 erty, personnel, obligations, and commitments, are hereby
9 transferred from the Department of the Treasury to the
10 Federal Works Agency, together with such additional rec-
11 ords, property, and personnel of the Department of the
12 Treasury as the Director of the Bureau of the Budget shall
13 determine to relate primarily to functions transferred by this
14 subsection or vested in the Administrator by this title.
15 There shall be at the head of such Bureau a Commissioner
16 of Federal Supply, who shall be appointed by the Adminis-
17 trator and who shall receive compensation at the rate of
18 \$10,000 per annum. The functions of (i) the Director of
19 the Bureau of Federal Supply, (ii) the personnel of such
20 Bureau, and (iii) the Secretary of the Treasury, relating

1 to the Bureau of Federal Supply, are hereby transferred to
2 the Administrator.

3 (b) The functions of the Director of Contract Settle-
4 ment and of the Office of Contract Settlement, transferred
5 to the Secretary of the Treasury by Reorganization Plan
6 Numbered 1 of 1947, are transferred to the Administrator
7 and shall be performed by him or, subject to his direction
8 and control, by such officers and agencies of the Federal
9 Works Agency as he may designate. The Contract Settle-
10 ment Act Advisory Board created by section 5 of the
11 Contract Settlement Act of 1944 (58 Stat. 649) and the
12 Appeal Board established under section 13 (d) of that
13 Act are transferred from the Department of the Treasury
14 to the Federal Works Agency, but the functions of the
15 Boards shall be performed by them, respectively, under
16 conditions and limitations otherwise prescribed by law.
17 There shall also be transferred to the Federal Works Agency
18 such records, property, personnel, obligations, commitments,
19 and unexpended balances (available or to be made avail-
20 able) of appropriations, allocations, and other funds of the
21 Treasury Department as the Director of the Bureau of the
22 Budget shall determine to relate primarily to the functions
23 transferred by the provisions of this subsection.

24 (c) The functions, records, property, personnel, obli-
25 gations, and commitments of the War Assets Administration

1 are hereby transferred to the Federal Works Agency. The
2 functions of the War Assets Administrator are hereby trans-
3 ferred to the Federal Works Administrator. The War
4 Assets Administration and the office of the War Assets
5 Administrator are hereby abolished. All rights, with
6 respect to employment by the Government, of the personnel
7 transferred by this subsection shall be neither greater nor
8 less by virtue of such transfer than such rights would have
9 been had the War Assets Administration continued as an
10 independent agency of the Government. Personnel now
11 holding appointments granted under section 5 (b) of the
12 Surplus Property Act of 1944, as amended, may be con-
13 tinued in such positions or may be appointed to similar
14 positions for such time as the Administrator may deter-
15 mine.

16 (d) All unexpended balances of appropriations, alloca-
17 tions, or other funds available or to be made available, for
18 the use of the Bureau of Federal Supply and of the War
19 Assets Administration, and so much of the other unexpended
20 balances of appropriations, allocations, or other funds of the
21 Department of the Treasury, available or to be made avail-
22 able, as the Director of the Bureau of the Budget shall de-
23 termine to relate primarily to functions transferred from such
24 Department or vested in the Administrator by the provisions

1 of this title, shall be transferred to the Federal Works Agency
2 for use in connection with said functions.

3 (e) The Administrator is hereby authorized, in his
4 discretion, in order to provide for the effective accomplish-
5 ment of the functions transferred by this section or vested in
6 him by this title, and from time to time, to reorganize the
7 several bureaus and administrations within the Federal Works
8 Agency, to regroup, transfer, and distribute any such func-
9 tions within the Federal Works Agency, and with the ap-
10 proval of the Director of the Bureau of the Budget to make
11 appropriate transfers of funds in connection therewith.

12 (f) Any other provision of this section notwithstand-
13 ing, there may be retained in the Department of the
14 Treasury any function referred to in subsection (a) of this
15 section which the Director of the Bureau of the Budget shall,
16 within ten days after the effective date of this Act, determine
17 to be essential to the orderly administration of the affairs
18 of the agencies of such Department, other than the Bureau
19 of Federal Supply, together with such records, property,
20 personnel, obligations, commitments, and unexpended bal-
21 ances of appropriations, allocations, and other funds, available
22 or to be made available, of said Department, as said Director
23 shall determine.

24 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

25 SEC. 1002 (a) The Administration shall, in respect of

1 executive agencies, and to the extent that he determines
2 that so doing is advantageous to the Government in terms
3 of economy, efficiency, or service, and with due regard to
4 the program activities of the agencies concerned—

5 (i) prescribe policies and methods of procurement
6 of personal property and nonpersonal services, and
7 of warehousing, stocking, transportation, and distribution
8 of personal property; and

9 (ii) operate, and after consultation with the execu-
10 tive agencies affected, consolidate, take over, or arrange
11 for the operation by any executive agency of, ware-
12 houses, supply centers, repair shops, fuel yards, and
13 other similar facilities; and

14 (iii) procure personal property and nonpersonal
15 services; and

16 (iv) advise all executive agencies on traffic man-
17 agement and as to reasonableness of carriers' rates and
18 charges, and represent all such agencies in negotiating
19 rates and charges with carriers and in proceedings in-
20 volving carriers' rates and charges before Federal and
21 State regulatory bodies;

22 *Provided*, That the Secretary of Defense may from time to
23 time, and unless the President shall otherwise direct, except
24 the National Military Establishment from action taken or

1 which may be taken by the Administrator under clauses (i),
2 (ii), (iii), and (iv) above whenever he determines such
3 exception to be in the best interests of national security.

4 (b) The Administrator may provide any of the services
5 specified in subsection (a) of this section to any other Fed-
6 eral agency, mixed ownership corporation (as defined in
7 the Government Corporation Control Act), or the District
8 of Columbia, upon its request.

9
10 PROPERTY UTILIZATION

11 SEC. 103. (a) In order to minimize expenditures for
12 property, the Administrator shall prescribe policies and
13 methods to promote the maximum utilization of excess prop-
14 erty by executive agencies, and he shall provide for the
15 transfer of excess property among Federal agencies.

16 (b) Each executive agency shall (i) maintain ade-
17 quate inventory controls and accountability systems for the
18 property under its control, (ii) continuously survey prop-
19 erty under its control to determine which is excess property,
20 and (iii) perform the care and handling of such excess
21 property.

22 (c) Each executive agency shall, when appropriate,
23 (i) make reassignments of property among activities within
24 the agency when such property is determined to be no longer
25 required for the purposes of the appropriation from which
it was purchased, (ii) transfer excess property under its

1 control to other Federal agencies, (iii) obtain excess prop-
2 erty from other Federal agencies.

3 (d) Under existing provisions of law and procedures
4 defined by the Secretary of Defense, and without regard to
5 the requirements of this section except subsection (f), ex-
6 cess property of one of the departments of the National Mili-
7 tary Establishment may be transferred to another department
8 thereof.

9 (e) Transfers of excess property between Federal agen-
10 cies (except transfers for distribution among Federal
11 agencies or for disposal as surplus property) shall be at the
12 fair value thereof, as determined by, or pursuant to regula-
13 tions of, the Administrator, unless such transfer is other-
14 wise authorized by law without reimbursement or transfer
15 of funds.

16 (f) The Director of the Bureau of the Budget shall
17 prescribe regulations providing for the reporting to said
18 Director by executive agencies of such reassignments or
19 transfers of property between activities financed by different
20 appropriations as he shall deem appropriate, and the re-
21 assignments and transfers so reported shall be reported to
22 the Congress in the annual budget or otherwise as said
23 Director may determine.

24 (g) Whenever the Administrator determines that the
25 assignment or reassignment of any space in excess real prop-

erty to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain therefrom, in the absence of appropriation available to him therefor, appropriate reimbursement for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 104. (a) Except as provided in subsection (i) of this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, may be performed by the Federal Works Agency or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

1 (c) Any executive agency designated or authorized
2 by the Administrator to dispose of surplus property may do
3 so by sale, exchange, lease, or transfer, for cash or credit,
4 with or without warranty, and upon such other terms and
5 conditions as the Administrator deems proper, and it may
6 execute such documents for the transfer of title or other
7 interest in property and take such other action as it deems
8 necessary or proper to dispose of such property under the
9 provisions of this title.

10 (d) A deed, bill of sale, lease, or other instrument
11 executed by or on behalf of any executive agency purporting
12 to transfer title or any other interest in property under this
13 title shall be conclusive evidence of compliance with the
14 provisions of this title insofar as title or other interest of
15 any grantee or transferee is concerned.

16 (e) Unless the Administrator shall determine that dis-
17 posal by advertising will in a given case better protect the
18 public interest, surplus property disposals may be made with-
19 out regard to any provision of existing law for advertising
20 until 12 o'clock noon, eastern standard time, December 31,
21 1949.

22 (f) Subject to regulations of the Administrator, any
23 executive agency may authorize any contractor with such
24 agency or subcontractor thereunder to retain or dispose of
25 any contractor inventory.

1 (g) The Administrator, in formulating policies with
2 respect to the disposal of surplus agricultural commodities,
3 surplus foods processed from agricultural commodities, and
4 surplus cotton or woolen goods, shall consult with the Sec-
5 retary of Agriculture. Such policies shall be so formulated
6 as to prevent surplus agricultural commodities, or surplus
7 food processed from agricultural commodities, from being
8 dumped on the market in a disorderly manner and dis-
9 rupting the market prices for agricultural commodities.

10 (h) Whenever the Secretary of Agriculture determines
11 such action to be required to assist him in carrying out his
12 responsibilities with respect to price support or stabilization,
13 the Administrator shall transfer without charge to the De-
14 partment of Agriculture any surplus agricultural commod-
15 ities, foods, or cotton or woolen goods to be disposed of.
16 Receipts resulting from disposal by the Department of
17 Agriculture under this subsection shall be deposited pursuant
18 to any authority available to the Secretary of Agriculture,
19 except that net proceeds of any sale of surplus property
20 so transferred shall be credited pursuant to section 105 (b),
21 when applicable. Surplus farm commodities so transferred
22 shall not be sold, other than for export, in quantities in
23 excess of, or at prices less than, those applicable with respect
24 to sales of such commodities by the Commodity Credit
25 Corporation, or at less than current prevailing market prices,

1 whichever may be the higher; and the Commodity Credit
2 Corporation may dispose of or cause to be disposed of for
3 cash or its equivalent in goods or for adequately secured
4 credit, for export only, and at competitive world prices,
5 any farm commodity or product thereof without regard to
6 restrictions with respect to the disposal of commodities
7 imposed upon it by any law: *Provided*, That no food or
8 food product shall be sold or otherwise disposed of under this
9 subsection for export (i) if there is a shortage of such food
10 or food product in the United States or if such sale or other
11 disposition may result in such a shortage, or (ii) if such
12 food or food product is needed to supply the normal demands
13 of consumers in the United States.

14 (i) The United States Maritime Commission shall dis-
15 pose of surplus vessels of one thousand five hundred gross
16 tons or more which the Commission determines to be mer-
17 chant vessels or capable of conversion to merchant use, and
18 such vessels shall be disposed of only in accordance with the
19 provisions of the Merchant Marine Act, 1936, as amended,
20 and other laws authorizing the sale of such vessels.

21 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

22 SEC. 105. (a) All proceeds under this title from any
23 transfer of excess property to a Federal agency for its use,
24 or from any sale, lease, or other disposition of surplus prop-
25 erty, shall be covered into the Treasury as miscellaneous re-

1 cepts, except as provided in subsections (b), (c), and (d)
2 of this section.

3 (b) Where the property transferred or disposed of was
4 acquired by the use of funds either not appropriated from
5 the general fund of the Treasury or appropriated therefrom
6 but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or
7 transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined
8 such property to be excess: *Provided*, That the proceeds
9 shall be credited to miscellaneous receipts in any case when
10 the agency which determined the property to be excess shall
11 deem it uneconomical or impractical to ascertain the amount
12 of net proceeds. As used in this subsection, the term "net
13 proceeds of the disposition or transfer" means the proceeds
14 of the disposition or transfer minus all expenses incurred
15 for care and handling and disposition or transfer.

16 (c) Any Federal agency disposing of surplus property
17 under this title (i) may deposit, in a special account with
18 the Treasurer of the United States, such amount of the
19 proceeds of such dispositions as it deems necessary to permit
20 appropriate refunds to purchasers when any disposition is
21 rescinded or does not become final, or payments for breach
22 of any warranty, and (ii) may withdraw therefrom amounts
23
24

1 so to be refunded or paid, without regard to the origin of
2 the funds withdrawn.

3 (d) Where any contract entered into by an executive
4 agency or any subcontract under such contract authorizes
5 the proceeds of any sale of property in the custody of the
6 contractor or subcontractor to be credited to the price or
7 cost of the work covered by such contract or subcontract,
8 the proceeds of any such sale shall be credited in accordance
9 with the contract or subcontract.

10 (e) Where any mortgage, lien, or other interest as
11 security is retained in connection with any disposition of
12 surplus property under this title, the Administrator shall
13 preserve and manage such security and may enforce and
14 settle any right of the Government with respect thereto in
15 such manner and upon such terms as he deems in the
16 best interest of the Government.

17 POLICIES, REGULATIONS, AND DELEGATIONS

18 SEC. 106. (a) The President may prescribe such poli-
19 cies, not inconsistent with the provisions of this title, as he
20 shall deem necessary to effectuate the provisions of this
21 title, which policies shall guide the Administrator and execu-
22 tive agencies in carrying out their respective functions
23 hereunder.

1 (b) The Administrator shall prescribe such regulations
2 as he deems necessary to effectuate his functions under this
3 title, and the head of each Federal agency shall cause to be
4 issued such orders and directives as he deems necessary to
5 carry out such regulations.

6 (c) The Administrator is authorized to delegate and
7 to authorize successive redelegation of any authority trans-
8 ferred to or vested in him by this title (except for the
9 authority to issue regulations on matters of policy having
10 application to executive agencies and the authority con-
11 tained in subsection 101 (e)) to any official in the Federal
12 Works Agency or to the head of any other Federal agency.

13 (d) With respect to any function transferred to or
14 vested in the Federal Works Agency or the Administrator
15 by this title, the Administrator may (i) direct the under-
16 taking of its performance by the Federal Works Agency or
17 by any constituent organization therein which he may desig-
18 nate or establish; or (ii) designate and authorize any execu-
19 tive agency to perform such function for itself; or (iii)
20 designate and authorize any other executive agency to per-
21 form such function; or (iv) provide for such performance
22 by any combination of the foregoing methods. Any desig-
23 nation, assignment, or transfer of functions by the Adminis-
24 trator to another executive agency under this section shall be

1 made only with the consent of the executive agency
2 concerned.

3 (e) When any executive agency (including the Fed-
4 eral Works Agency and constituent organizations thereof)
5 is authorized and directed by the Administrator to carry out
6 any function under this title, the Administrator may, with
7 the approval of the Director of the Bureau of the Budget,
8 provide for the transfer of appropriate personnel, records,
9 property, and funds of the Federal Works Agency, or of such
10 other executive agency as has theretofore carried out such
11 function, to the executive agency so authorized and directed.

12 (f) The Administrator may establish industry advisory
13 committees to advise with him with respect to any function
14 transferred to or vested in the Administrator by this Act.
15 The members thereof shall serve without compensation but
16 shall be entitled to transportation and not to exceed \$25 per
17 diem in lieu of subsistence, as authorized by section 5 of
18 the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons
19 so serving.

20 (g) The Administrator shall advise and consult with
21 interested Federal agencies with a view to obtaining their
22 advice and assistance in carrying out the purposes of this
23 title.

SURVEYS AND STANDARDIZATION

1
2 SEC. 107. (a) As he may deem necessary for the effec-
3 tuation of his functions under this title, and after adequate
4 advance notice to the agencies affected, and with due regard
5 to the requirements of the National Military Establishment
6 as determined by the Secretary of Defense, the Administra-
7 tor is authorized (i) to make surveys of Government prop-
8 erty and management practices with respect thereto, and
9 obtain reports thereon from executive agencies; (ii) to
10 establish and maintain such uniform Federal supply catalog
11 system to identify and classify personal property under the
12 control of Federal agencies as may be appropriate; and (iii)
13 to prescribe standardized forms and procedures, except such
14 as the Comptroller General is authorized by law to prescribe,
15 and standard purchase specifications.

16 (b) Each executive agency shall utilize such uniform
17 Federal supply catalog system and standard purchase speci-
18 fications as far as practicable, taking into consideration
19 efficiency, economy, and other interests of the Government.

APPLICABILITY OF ANTITRUST LAWS

21 SEC. 108. Whenever any executive agency shall begin
22 negotiations for the disposition to non-Federal interests,
23 public or private, of a plant or plants, or other property,
24 which cost the Government \$1,000,000 or more, or of pat-
25 ents, processes, techniques, or inventions, irrespective of cost,

1 the executive agency shall promptly notify the Attorney
2 General of the proposed disposal and the probable terms
3 or conditions thereof. Within a reasonable time, in no
4 event to exceed ninety days after receiving such notifica-
5 tion, the Attorney General shall advise the Administrator
6 and the interested executive agency whether, insofar as he
7 can determine, the proposed disposition would tend to create
8 or maintain a situation inconsistent with the antitrust laws.
9 Upon the request of the Attorney General, the Adminis-
10 trator or interested executive agency shall furnish or cause
11 to be furnished such information as it may possess which
12 the Attorney General determines to be appropriate or neces-
13 sary to enable him to give the advice called for by this
14 section or to determine whether any other disposition of
15 surplus property violates the antitrust laws. Nothing in
16 this Act shall impair, amend, or modify the antitrust laws
17 or limit and prevent their application to persons who buy
18 or otherwise acquire property under the provisions of this
19 Act. As used in this section, the term "antitrust laws"
20 includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209),
21 as amended; the Act of October 15, 1914 (ch. 323, 38
22 Stat. 730), as amended; the Federal Trade Commission
23 Act, as amended; and sections 73 and 74 of the Act of
24 August 27, 1894 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

SEC. 109. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this title.

(b) To such extent as he finds necessary to carry out the provisions of this title, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended.

(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials and officers in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

CIVIL REMEDIES AND PENALTIES

SEC. 110. (a) Where any property is transferred or

1 disposed of in accordance with this Act and any regulations
2 prescribed hereunder, no officer or employee of the Govern-
3 ment shall (i) be liable with respect to such transfer or
4 disposition except for his own fraud, or (ii) be accountable
5 for the collection of any purchase price which is deter-
6 mined to be uncollectible by the Federal agency responsible
7 therefor.

8 (b) Every person who shall use or engage in, or cause
9 to be used or engaged in, any fraudulent trick, scheme, or
10 device, for the purpose of securing or obtaining, or aiding to
11 secure or obtain, for any person any payment, property, or
12 other benefits from the United States or any Federal agency
13 in connection with the procurement, transfer, or disposition
14 of property hereunder, or who enters into an agreement, com-
15 bination, or conspiracy to do any of the foregoing—

16 (i) shall pay to the United States the sum of \$2,000
17 for each such act, and double the amount of any damage
18 which the United States may have sustained by reason
19 thereof, together with the costs of suit: or

20 (ii) shall, if the United States shall so elect, pay
21 to the United States, as liquidated damages, a sum equal
22 to twice the consideration agreed to be given by the
23 United States or any Federal agency to such person or
24 by such person to the United States or any Federal
25 agency, as the case may be; or

1 (iii) shall, if the United States shall so elect, re-
2 store to the United States the money or property thus
3 secured and obtained and the United States shall retain
4 as liquidated damages any property, money, or other
5 consideration given to the United States or any Federal
6 agency for such money or property, as the case may be.

7 (c) The several district courts of the United States,
8 the District Court of the United States for the District of
9 Columbia, and the several district courts of the Territories
10 and possessions of the United States, within whose jurisdic-
11 tional limits the person, or persons, doing or committing such
12 act, or any one of them, resides or shall be found, shall where-
13 soever such act may have been done or committed, have
14 full power and jurisdiction to hear, try, and determine such
15 suit.

16 (d) The civil remedies provided in this section shall
17 be in addition to all other criminal penalties and civil
18 remedies provided by law.

19 REPORTS TO CONGRESS

20 SEC. 111. The Administrator shall submit a report to
21 the Congress, in January of each year, regarding the ad-
22 ministration of his functions under this title, together with
23 such recommendations for amendments to this title as he
24 may deem appropriate.

1 TITLE II—FOREIGN EXCESS PROPERTY

2 DISPOSAL OF FOREIGN EXCESS PROPERTY

3 SEC. 201. Each executive agency having foreign excess
4 property shall be responsible for the disposal thereof: *Pro-*
5 *vided*, That (a) the head of each such executive agency
6 shall, with respect to the disposition of such property, con-
7 form to the foreign policy of the United States; (b) the
8 Secretary of State shall, in order to effectuate the purposes
9 of section 32 (b) (2) of the Surplus Property Act of 1944,
10 as amended, and the Foreign Service Buildings Act of May
11 7, 1926, as amended (including Public Law 547, Seventy-
12 ninth Congress (60 Stat. 663)), and for the purpose of
13 paying any other governmental expenses payable in local
14 currencies, have the authority to use foreign currencies and
15 credits acquired by the United States under section 202
16 (b) of this Act for purposes of section 32 (b) (2) of the
17 Surplus Property Act of 1944, as amended, and to amend,
18 modify, and renew agreements in effect on the effective
19 date of this Act; (c) any foreign currencies or credits
20 acquired by the Department of State pursuant to such agree-
21 ments shall be administered in accordance with procedures
22 that may from time to time be established by the Secretary
23 of the Treasury and, if and when reduced to United States
24 currency, shall be covered into the Treasury as miscellaneous

1 receipts; and (d) the Department of State shall, except to
2 such extent as the President shall otherwise determine,
3 continue to perform other functions with respect to agree-
4 ments for the disposal of foreign excess property in effect
5 on the effective date of this Act.

6 METHODS AND TERMS OF DISPOSAL

7 SEC. 202. Foreign excess property may be disposed of
8 (a) by sale, exchange, lease, or transfer, for cash, credit,
9 or other property, with or without warranty and upon such
10 other terms and conditions as the head of the executive
11 agency concerned deems proper; but in no event shall any
12 agricultural commodity, food, or cotton or woolen goods be
13 sold without a condition forbidding their importation into
14 the United States, unless the Secretary of Agriculture deter-
15 mines that such property is in short supply in this country,
16 or (b) for foreign currencies or credits, or substantial bene-
17 fits or the discharge of claims resulting from the compromise,
18 or settlement of such claims by any executive agency in
19 accordance with the law, whenever the head of the execu-
20 tive agency concerned determines that it is in the interest
21 of the United States to do so. Such property may be dis-
22 posed of without advertising when the head of the executive
23 agency concerned finds so doing to be most practicable and
24 to be advantageous to the Government. The head of each
25 executive agency responsible for the disposal of foreign

1 excess property may execute such documents for the transfer
2 of title or other interest in property and take such other
3 action as he deems necessary or proper to dispose of such
4 property; and may authorize the abandonment, destruction,
5 or donation of foreign excess property under his control
6 which has no commercial value or the estimated cost of
7 care and handling of which would exceed the estimated
8 proceeds from its sale.

9 PROCEEDS, FOREIGN CURRENCIES

10 SEC. 203. Proceeds from the sale, lease, or other dis-
11 position of foreign excess property, (a) shall, if in the
12 form of foreign currencies or credits, be administered in ac-
13 cordance with procedures that may from time to time be
14 established by the Secretary of the Treasury, and (b) shall,
15 if in United States currency, or when any proceeds in foreign
16 currencies or credits shall be reduced to United States cur-
17 rency, be covered into the Treasury as miscellaneous re-
18 cepts: *Provided*, That the provisions of section 105 (b)
19 (which by their terms apply to surplus property disposed
20 of under title I) shall be applicable to proceeds of foreign
21 excess property disposed of for United States currency under
22 this title II: *And provided further*, That any executive
23 agency disposing of surplus property under this title (i)
24 may deposit, in a special account with the Treasurer of the
25 United States, such amount of the proceeds of such disposi-

1 tions as it deems necessary to permit appropriate refunds
2 to purchasers when any disposition is rescinded or does not
3 become final, or payments for breach of any warranty, and
4 (ii) may withdraw therefrom amounts so to be refunded or
5 paid, without regard to the origin of the funds withdrawn.

6 MISCELLANEOUS PROVISIONS

7 SEC. 204. (a) The President may prescribe such poli-
8 cies, not inconsistent with the provisions of this title, as he
9 shall deem necessary to effectuate the provisions of this title,
10 which provisions shall guide each executive agency in carry-
11 ing out its functions hereunder.

12 (b) Any authority conferred upon any executive agency
13 or the head thereof by the provisions of this title may be
14 delegated, and successive redelegation thereof may be author-
15 ized, by such head to any official in such agency or to the
16 head of any other executive agency.

17 (c) The head of each executive agency responsible for
18 the disposal of foreign excess property hereunder may, as
19 may be necessary to carry out his functions under this
20 title, (i) subject to the civil-service and classification laws,
21 appoint and fix the compensation of personnel, and (ii)
22 without regard to the civil-service and classification laws,
23 appoint and fix the compensation of personnel outside the
24 continental limits of the United States.

25 (d) Each executive agency responsible for the dis-

1 posal of foreign excess property under this title shall submit
2 a report to Congress in January of each year relative to
3 its activities under this title, together with any appropriate
4 recommendations.

5 (e) There shall be transferred from the Department of
6 State to each other executive agency affected by this title
7 such records, property, personnel, obligations, commitments,
8 and unexpended balances of appropriations, allocations, and
9 other funds, available or to be made available, as the Direc-
10 tor of the Bureau of the Budget shall determine to relate to
11 functions of such agency under this title which have here-
12 tofore been administered by the Department of State.

13 TITLE III—GENERAL PROVISIONS

14 APPLICABILITY OF EXISTING PROCEDURES

15 SEC. 301. All policies and procedures prescribed (a)
16 by either the Director, Bureau of Federal Supply, or the
17 Secretary of the Treasury and relating to procurement, ware-
18 housing, stocking, transportation, or distribution of per-
19 sonal property and of nonpersonal services, and (b) by
20 any officer of the Government under the authority of the
21 Surplus Property Act of 1944, as amended, or under other
22 authority with respect to surplus property or foreign excess
23 property, in effect upon the effective date of this Act and
24 not inconsistent herewith, shall remain in full force and
25 effect unless and until superseded, or except as they may be

1 amended, under the authority of this Act or under other
2 appropriate authority.

3 REPEAL AND SAVING PROVISIONS

4 SEC. 302. (a) There are hereby repealed (i) the Sur-
5 plus Property Act of 1944, as amended (except sections
6 13 (g), 28, and 32 (b) (2)), and sections 501 and 502
7 of Reorganization Plan Numbered 1 of 1947: *Provided*,
8 That, with respect to the disposal under this Act of any sur-
9 plus real estate, all priorities and preferences provided for
10 in said Act, as amended, shall continue in effect until 12
11 o'clock noon, eastern standard time, December 31, 1949;
12 (ii) that portion of the Act entitled "An Act making sup-
13 plemental appropriations for the Executive Office and sundry
14 independent executive bureaus, boards, commissions, and
15 offices, for the fiscal year ending June 30, 1949, and for
16 other purposes", approved June 30, 1948 (Public Law
17 862, Eightieth Congress), appearing under the caption
18 "Surplus Property Disposal"; (iii) the Act entitled "An
19 Act to authorize the Secretary of War to dispose of material
20 no longer needed by the Army", approved February 28,
21 1936 (49 Stat. 1147; U. S. C., title 10, sec. 1258); (iv)
22 the Act entitled "An Act to authorize the Secretary of the
23 Navy to dispose of material no longer needed by the Navy",
24 approved May 23, 1930, as amended (46 Stat. 378; U.
25 S. C., title 34, sec. 546c); (v) section 5 of the Act of

1 July 11, 1919, chapter 6, Forty-first Statutes, 67 (40 U.
2 S. C. 311); and (vi) section 1 of the Act of December
3 20, 1928, chapter 39, Forty-fifth Statutes, 1030 (40 U.
4 S. C. 311a).

5 (b) The provisions of the first, third, and fifth para-
6 graphs of section 1 of Executive Order Numbered 6166 of
7 June 10, 1933, are hereby superseded, insofar as they
8 relate to any function now administered by the Bureau of
9 Federal Supply except functions with respect to standard
10 contract forms.

11 (c) The authority conferred by this Act is in addition
12 to any authority conferred by any other law and shall not
13 be subject to the provisions of any law inconsistent herewith.

14 (d) Nothing in this Act shall impair or affect any
15 authority of—

16 (1) the President under the Philippine Property
17 Act of 1946;

18 (2) any executive agency with respect to any pro-
19 gram conducted for purposes of resale, price support,
20 grants to farmers, stabilization, transfer to foreign gov-
21 ernments, or foreign aid, relief, or rehabilitation;

22 (3) the National Military Establishment with
23 respect to property required for or located in occupied
24 territories;

25 (4) the Secretary of the Army, the Secretary of

1 the Navy, and the Secretary of the Air Force to make
2 donations for educational purposes as authorized by the
3 Act entitled "An Act to authorize the Secretary of the
4 Army, the Secretary of the Navy, and the Secretary of
5 the Air Force to donate excess and surplus property for
6 educational purposes", approved July 2, 1948 (Public
7 Law 889, Eightieth Congress) ;

8 (5) the Munitions Board (in the National Military
9 Establishment) with respect to stock piling of critical
10 and strategic materials;

11 (6) the Secretary of State under the Foreign Serv-
12 ice Buildings Act of May 7, 1926, as amended;

13 (7) the Secretary of Agriculture or the Department
14 of Agriculture under (a) the National School Lunch
15 Act (60 Stat. 230) ; (b) the Farmers Home Adminis-
16 tration Act of 1946 (60 Stat. 1062) ; (c) the Act of
17 August 31, 1947, Public Law 298, Eightieth Congress,
18 with respect to the disposal of labor supply centers, and
19 labor homes, labor camps, or facilities; or (d) section
20 32 of the Act of August 24, 1935 (49 Stat. 774), as
21 amended, with respect to the exportation and domestic
22 consumption of agricultural products;

23 (8) the Secretary of Agriculture, Farm Credit
24 Administration, or any farm credit board under section

1 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
2 with respect to the acquisition or disposal of property;

3 (9) the Housing and Home Finance Agency, or
4 any officer or constituent agency therein, with respect
5 to the disposal of residential property, or of other prop-
6 erty (real or personal) held as part of or acquired for
7 or in connection with residential property, or in connec-
8 tion with the insurance of mortgages, loans, or savings
9 and loan accounts under the National Housing Act;

10 (10) the Tennessee Valley Authority with respect
11 to nonpersonal services and with respect to any property
12 acquired for or in connection with any program of proc-
13 essing, manufacture, production, or force account con-
14 struction;

15 (11) the Atomic Energy Commission;

16 (12) except as provided in subsections (a) and
17 (b) hereof, any other law relating to the procurement,
18 utilization, or disposal of property: *Provided*, That, sub-
19 ject to, and within the scope of authority conferred on
20 the Administrator by, other provisions of this Act, he
21 is authorized to prescribe regulations to govern any
22 procurement, utilization, or disposal of property under
23 any such law, whenever but only to the extent he deems

1 such action necessary to effectuate the provisions of title
2 I; nor

3 (13) for such period of time as the President may
4 specify, any other authority of any executive agency
5 which the President determines within one year after the
6 effective date of this Act should, in the public interest,
7 stand unimpaired by this Act.

8 (e) The Administrator shall report to the Congress,
9 from time to time, the laws becoming obsolete by reason of
10 the passage or operation of title I of this Act.

11 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER
12 AUTHORITY

13 SEC. 303. (a) There are hereby authorized to be ap-
14 propriated such sums as may be necessary to carry out the
15 provisions of this Act.

16 (b) When authorized by the Director of the Bureau
17 of the Budget, any Federal agency may use, for the dis-
18 position of property under this Act, and for its care and
19 handling pending such disposition, any funds heretofore or
20 hereafter appropriated, allocated, or available to it for pur-
21 poses similar to those provided for in sections 102, 103,
22 104, and 106 of this Act.

23 SEPARABILITY

24 SEC. 304. If any provision of this Act, or the applica-
25 tion thereof to any person or circumstances, is held invalid,

1 the remainder of this Act, and the application of such
2 provision to other persons or circumstances, shall not be
3 affected thereby.

4 EFFECTIVE DATE

5 SEC. 305. This Act shall become effective on February
6 28, 1949.

A BILL

To reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes.

By Mr. McCLELLAN

FEBRUARY 17, 1949

Read twice and referred to the Committee on
Expenditures in the Executive Departments

which shall be available to certain classes of immigrants commonly referred to as first-preference and second-preference classes.

The first half of the national origins immigration quotas (excepting India and China) is available to first-preference classes which consist of alien parents of citizens of the United States who are at least 21 years of age, the alien husbands of citizens of the United States regardless of age, but who were married on or after January 1, 1948, and, in quotas of 300 or more annually, to aliens who are skilled in agriculture.

The second half of the national origins immigration quota, plus any portion of the first half not required for the issuance of immigration visas to qualified immigrants of the first-preference classes, is available to second-preference classes which consist of the alien wives and the unmarried alien children of aliens who are lawful permanent residents of the United States.

By section 4 (a) of the Immigration Act of 1924 alien wives, the unmarried minor alien children, and the alien husbands of American citizens are entitled to nonquota immigrant status, provided in the cases of such husbands that the marriage occurred before January 1, 1948.

Immigrants who are brothers, sisters, uncles, aunts, nieces, nephews, or nonrelative of American citizens or of lawfully resident aliens are not entitled either to preferential consideration under the quotas or to nonquota status. They are considered to be nonpreference quota immigrants. They may immigrate under the quotas only in the event the demand on the part of qualified immigrants of the preference classes does not exhaust the quotas.

It may be observed that just one occupation class is granted preferential consideration under the quotas. Skilled agriculturists are entitled to first-preference classification provided the quota to which they may be chargeable under the law is at least 300 annually. Otherwise, however, no alien may come or be brought to this country for permanent residence, no matter how highly skilled he may be as a worker, technician, or scientist, unless he happens to be classifiable as a nonquota immigrant, in a preference class, or if as a nonpreference quota immigrant he finds a place high enough on the list of nonpreference applicants to take advantage of any otherwise unused quota.

In administering the quota provisions of the law with respect to nonpreference immigrants the administrative authorities devised a waiting-list procedure. Such improvisation was necessary because Congress did not specifically deal with this category of immigrants in the law, having limited itself in its legislative action to the preference classes.

The waiting-list procedure was soundly conceived by the administrative authorities, in the absence of statutory direction, in accordance with the accepted democratic custom of first come, first served. Faithfully observed by consular authorities, it has imposed a great administrative burden in the face of pressure to grant exceptions. At the same time, it has necessarily operated to exclude numerous aliens whose admission to the United States in permanent status would undeniably have been in the national interest.

It is believed that the time has come for Congress to review the provisions of the Immigration Act of 1924 and its administration so that important considerations of national interest may be brought to bear in fixing preferences and so that orderly and desirable procedures may be effected under which administrative authorities may operate in enforcing the law.

The proposed bill would provide that the first 10 percent of any quota may be used for the issuance of immigration visas to aliens whose immigration into the United States would be desirable from the viewpoint

of our national interests. This would be without regard to any relationship, or non-relationship, such citizens may have to any citizen or resident of the United States.

Appropriate agencies of the government would have to give their approval to the immigration of aliens in this first 10 percent of the quota. This is to establish necessary safeguards against a possible abuse of the privileges to be granted.

The administrative authorities in the Executive branch of the government are being approached regularly by business concerns and others who are interested in bringing to this country aliens skilled as workers, technicians, or scientists who are needed in American business, research, or enterprise. The administrative authorities are helpless to assist, however, when they find the alien concerned is entitled to no preference under the law and is chargeable to a quota which is heavily oversubscribed and in fact would be barred under the contract labor feature of existing law.

In addition to facilitating the immigration of an alien whose services would be a distinct contribution to our economy, the proposed bill would provide for those whom an agency of the government may be anxious to procure for technical or scientific purposes in connection with improvement of the National Defense Establishment. Also, aliens who have been working for the United States in foreign countries, often at the risk of their lives or personal safety and whose immediate immigration into the United States is desirable in the interest of national security, could be permitted to migrate to this country without having to wait for years until their turns as nonpreference quota immigrants are reached on the waiting lists.

One effect of this bill would be to obviate the necessity of having numerous private bills introduced in Congress each year, to facilitate the immigration of aliens whose migration would be highly desirable in the national interest.

Under this bill it is further proposed that the next 50 percent of a national quota would be made available to those immigrants who now fall in the so-called first-preference classes, which would become the second-preference category. The proportion of the total quota allotted to such immigrants is not reduced or changed.

The bill proposes that the next 20 percent of a quota may be available to immigrants who now fall in the second preference classes, which would become the third preference category. The proportion of the quota allotted to such immigrants is accordingly reduced from 50 percent under present law to 20 percent. However, experience has shown that uniformly such immigrants rarely use as much as 20 percent of a quota.

The bill also creates a new category, to be known as fourth preference quota immigrants, to whom will be available to the next 10 percent of any quota. This class would include immigrants who have certain close relations in the United States but who are not entitled to any preferential consideration as quota immigrants under the existing law.

A final 10 percent of a quota would be available, under the proposed bill, to what may be termed "new-seed" immigration, or those immigrants who have no close relatives in the United States and who do not fall within any of the various classes of immigrants entitled to preference under the first 90 percent of a quota.

The first preference quota status provided in the existing law for aliens skilled in agriculture would be repealed. It is felt for one thing that since provisions of the Displaced Persons Act of 1948 permit thousands of aliens skilled in agriculture to immigrate into the United States there is no apparent necessity for continuing the preferential status for agriculturalists under regular quotas.

One of the most important provisions of the proposed bill from the administrative point of view is that it would provide a statutory basis for the maintenance of consular waiting lists of quota immigrants. Under the proposed bill, visas to preferential quota immigrants in each class will be issued in the order that such preferential status is established. Nonpreference immigrants would be placed on waiting lists in the chronological order in which they qualify and are registered. Thus the integrity of the waiting-list procedure would be established by statute, which would assure protection to quota immigrants awaiting the issuance of visas, would preclude the exercise of administrative favoritism, and provide administrative authorities with a statutory buffer to pressure in the issuance of quota immigrant visas.

This bill is similar to one introduced in the Eightieth Congress, regarding which favorable reports were submitted to the House Judiciary Committee by the Departments of State and Justice, which are the agencies concerned with and responsible for the administration and enforcement of the immigration laws.

FEDERAL PROPERTY ACT OF 1949— OFFICE OF GENERAL SERVICES

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference two bills. One is cited as the Federal Property Act of 1949, and the other provides for the creation of an Office of General Services. I ask unanimous consent that an explanatory statement of the bills prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The bills will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Arkansas will be printed in the RECORD.

The bills introduced by Mr. McCLELLAN were each read twice by their titles, and referred to the Committee on Expenditures in the Executive Departments, as follows:

S. 990. A bill to reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes; and

S. 991. A bill to create an Office of General Services as a central agency to have jurisdiction and control over certain administrative services in the executive branch of the Government, and for other purposes.

The explanatory statement presented by Mr. McCLELLAN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McCLELLAN REGARDING THE FEDERAL PROPERTY ACT OF 1949 AND A BILL CREATING AN OFFICE OF GENERAL SERVICES

I am introducing today two bills, one of which is cited as the Federal Property Act of 1949, and is similar to a bill reported favorably by the Committee on Expenditures in the Executive Departments in the Eightieth Congress (S. 2754). This bill, drafted by the administration and introduced by request, proposes to create an efficient, business-like system of property management within the Federal Government. The bill would coordinate present property management functions of the Federal Works Agency and the Bureau of Federal Supply, and absorb the activities of the War Assets Administration.

I am also introducing, at the request of the Commission on Organization of the Executive Branch, a bill to create an Office of General Services. This bill is designed to carry out the recommendations made by the Commission in its report on "Office of General Services—Supply Activities". The primary purpose of this bill would be to co-

dinate top-level services of the Government in the fields of procurement, disposition of surplus property, supply, and property and records management.

These two bills contain certain features which are in conflict. The Committee on Expenditures in the Executive Departments will examine each of them in detail, consult with officials of the Government agencies concerned with these activities and with experts associated with the Commission on Organization of the Executive Branch of the Government who have been engaged in task force activities dealing with this subject, with a view to perfecting legislation that will be adequate to meet the needs of the reorganized services; and eliminate existing conflicts.

On January 24, I introduced another bill, S. 597, providing for the more economical operation of the General Supply Fund of the Bureau of Federal Supply, Department of the Treasury, at the request of the Department of the Treasury. This bill deals largely with the simplification and expansion of activities and would expand the General Supply Fund. It is designed to make the operations of the fund more flexible to the needs of any reorganization that might be effected under the above two proposals or under a bill that might be reported by the Committee on Expenditures involving the acceptable features of both measures.

These three bills comprise a general overall program designed to reorganize the purchasing and warehousing functions and effect a unified and efficient program for the distribution of supplies and materials throughout the Government, including provisions for executing utility contracts under a long range program and make for greater economy and efficiency of operation.

The Committee will direct its efforts toward incorporating the main features of all three of these measures in one overall reorganization proposal patterned on the recommendations made by the Commission on Organization of the Executive Branch under its report relating to the creation of an Office of General Services, and on the needs of the various agencies concerned as proposed by the Administration.

DEDUCTION FOR INCOME-TAX PURPOSES OF CONTRIBUTIONS TO VOLUNTEER FIRE COMPANIES

Mr. MARTIN. Mr. President, I introduce for appropriate reference a bill to allow a deduction for income-tax purposes, of contributions or gifts to volunteer fire companies, and I ask unanimous consent that the bill, together with an explanatory statement by me, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 1907) to allow a deduction, for income-tax purposes, of contributions or gifts to volunteer fire companies, introduced by Mr. MARTIN, was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 23 (o) of the Internal Revenue Code (relating to the so-called "charitable contribution" deduction for individuals) is hereby amended by striking out the word "or" at the end of paragraph (5) thereof, and by inserting at the end of paragraph (6) the word "or", and by adding after paragraph (6) a new paragraph to read as follows:

"(7) a volunteer fire company or association, not organized for profit and no part

of the net earnings of which inures to the benefit of any shareholder or individual, and operated exclusively for the benefit of the public;"

SEC. 2. Section 23 (q) of such code (relating to the so-called "charitable contribution" deduction for corporations) is hereby amended by inserting at the end of paragraph (4) the word "or", and by adding after paragraph (4) a new paragraph to read as follows:

"(5) a volunteer fire company or association, not organized for profit and no part of the net earnings of which inures to the benefit of any shareholder or individual, and operated exclusively for the benefit of the public;"

SEC. 3. The amendments made by this Act shall be applicable only with respect to taxable years beginning after December 31, 1948.

The statement presented by Mr. MARTIN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN

The purpose of this bill is to make possible a substantial increase in the effectiveness of the unselfish and praiseworthy service performed by volunteer fire companies and their members throughout the Nation.

It is designed to encourage more generous financial support of the volunteer fire companies by making contributions to such associations deductible for income-tax purposes in the same manner that donations to charitable and nonprofit educational organizations are now deductible.

Volunteer fire companies depend, for the most part, upon contributions from individuals and business concerns in the communities they serve.

The extent to which our communities rely upon volunteer fire companies for protection from fire is shown by the fact that there are upward of 14,000 volunteer associations in the United States with a total membership in excess of 650,000. These figures are most impressive when we consider that there are only 900 full-time paid fire departments, supported by local taxation, in all the 48 States.

In my own State of Pennsylvania nearly 200,000 public-spirited citizens are enrolled as members of about 4,000 volunteer associations. I cannot praise too highly the tremendous value of the civic responsibility they have accepted.

In the case of paid fire companies, supported by public funds, income-tax deduction is permitted for taxes paid by individuals and business firms for fire protection. To my mind voluntary contributions paid by citizens of rural communities should be tax exempt in the same manner.

The bill I have introduced is identical with H. R. 1822, sponsored by the distinguished Congressman at Large from Delaware, the Honorable J. CALEB BOGGS.

Representative Boggs has given a great deal of thought to the problems of the volunteer fire companies. In discussing this proposal he has pointed out that the volunteer fire associations, to a great extent, are educational organizations. For many years they have conducted campaigns to teach the public modern methods of fire prevention. They have conducted classes among their members to train them in the latest methods of fire fighting and fire prevention that are constantly being developed.

It is most unfortunate that these improved methods cannot be applied in many communities because lack of funds prevents the acquisition of the necessary equipment and apparatus.

My object in offering this bill at this time is to give ample opportunity for its consideration in committee and I ask that it be acted upon favorably. I join with Representative Boggs in urging that the situation which

hampers the work of the volunteer fire companies be corrected by enacting this bill into law.

CONSOLIDATION OF GENERAL APPROPRIATION BILLS

Mr. BYRD (for himself, Mr. BUTLER, Mr. BRIDGES, Mr. O'CONOR, Mr. KNOWLAND, Mr. GILLETTE, Mr. FERGUSON, and Mr. WHERRY) submitted the following concurrent resolution (S. Con. Res. 18), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That, effective on the first day of the second regular session of the Eighty-first Congress, the joint rule of the Senate and of the House of Representatives contained in section 138 of the Legislative Reorganization Act of 1946 is amended by adding at the end thereof the following new subsection:

"(c) (1) All appropriations for each fiscal year shall be consolidated in one general appropriation bill to be known as the 'Consolidated General Appropriation Act of ____' (the blank to be filled in with the appropriate fiscal year). The consolidated general appropriation bill may be divided into separate titles, each title corresponding so far as practicable to the respective regular general appropriation bills heretofore enacted. As used in this paragraph the term 'appropriations' shall not include deficiency or supplemental appropriations, appropriations under private acts of Congress, or rescissions of appropriations.

"(2) The consolidated general appropriation bill for each fiscal year, and each deficiency and supplemental general appropriation bill containing appropriations available for obligation during such fiscal year, shall contain provisions limiting the net amount to be obligated during such fiscal year in the case of each appropriation made therein which is available for obligation beyond the close of such fiscal year. Such consolidated general appropriation bill shall also contain provisions limiting the net amounts to be obligated during such fiscal year from all other prior appropriations which are available for obligation beyond the close of such fiscal year. Each such general appropriation bill shall also contain a provision that the limitations required by this paragraph shall not be construed to prohibit the incurring of an obligation in the form of a contract within the respective amounts appropriated or otherwise authorized by law, if such contract does not provide for the delivery of property or the rendition of services during such fiscal year in excess of the applicable limitations on obligations. The foregoing provisions of this paragraph shall not be applicable to appropriations made specifically for the payment of claims certified by the Comptroller General of the United States and of judgments, to amounts appropriated under private acts of Congress, to appropriations for the payment of interest on the public debt, or to revolving funds or appropriations thereto.

"(3) The committee reports accompanying each consolidated general appropriation bill, and any conference report thereon, shall show in tabular form, for information purposes, by items and totals—

"(A) the amount of each appropriation, including estimates of amounts becoming available in the fiscal year under permanent appropriations;

"(B) estimates of the amounts to be transferred between such appropriations;

"(C) estimates of the net amount to be expended in such fiscal year from each appropriation referred to in clause (A);

"(D) estimates of the net amount to be expended in such fiscal year from the balances of prior appropriations;

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

MAY 9 (legislative day, APRIL 11), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the
Executive Departments, submitted the following

REPORT

[To accompany S. 1809]

The Committee on Expenditures in the Executive Departments, having had under consideration the matter of Government property management and the reorganization of certain Government agencies in connection therewith, report the following bill (S. 1809) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and recommend that it do pass.

I. HISTORICAL BACKGROUND

The need for an efficient, businesslike system of property management has long been recognized. In 1943 the House passed, and this committee reported favorably, a bill (H. R. 2795) designed to fulfill that need. While being considered that bill was overtaken by the more immediate and special problem of disposing of our war surplus without dislocating our national economy. In the end, the Congress deferred action on long-range property management and, instead, adopted the Surplus Property Act of 1944 limited in objective to dealing with war-generated surplus and limited in life to 3 years after the date of cessation of hostilities. That date will occur on December 31, 1949.

In a special message dated March 5, 1948, the President recommended that the Congress renew consideration of Government property management and directed the Federal Works Administrator to submit a draft bill. Following the general pattern of that draft, this committee unanimously reported out a bill termed the Federal Property Act of 1948 (S. 2754, 80th Cong.) which would have provided a

uniform system for property management. Due to the press of other work, the Senate did not take up this bill before adjournment.

In the middle of February of this year the Federal Works Administrator, with the approval of the Director of the Bureau of the Budget, acting on behalf of the President, presented again a draft bill for a uniform property management system. That draft was substantially the same as the prior bill—S. 2754, Eightieth Congress—and was introduced in this Congress as S. 990. Simultaneously there was introduced S. 991 designed to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government for an Office of General Services—supply activities. In these two bills most provisions are common, the important differences being (a) the designation of the central housekeeping agency; (b) the treatment of military procurement; (c) the inclusion in S. 991 of records management, which was omitted from S. 990; and (d) the more detailed and specific coverage of substantive matters in S. 990.

In the bill as introduced and reported herewith the committee has retained the common features of both S. 990 and S. 991. In the main, the committee has adopted the substantive provisions of S. 990 and the organizational structure provided for in S. 991, with modifications and additions designed to make the resulting legislation more workable. In the opinion of the committee, the bill here introduced is both stronger and more flexible than either of the other bills.

II. GENERAL STATEMENT

Six years ago the confused state of legislation dealing with Government property management was described as follows:

Efficient executive management of the Government's great and growing investment in equipment, materials, and supplies, and the control of the Congress over the use and disposition of such property are seriously handicapped by the lack of comprehensive legislation. The essential foundation of management standards in determining what and what quantities should be bought, and similar standards to govern utilization are conspicuous by their absence. Although the accrual of surpluses is an inevitable feature of the active operations of Government, the determination and release of such surpluses is entirely within the discretion of thousands of widely scattered executives * * *. Even under normal conditions the results of such a situation are apparent in excessive stocks, unnecessary duplication, lack of maximum utilization, unauthorized augmentation of congressional appropriations by free transfer of cash equivalents from one to another, heavy direct losses to the Treasury, and waste in other forms. (1943 report of the House Committee on Expenditures in the Executive Departments on H. R. 2795, quoted with approval in 1944 in the report of this committee on the same bill.)

Leading off its report on an Office of General Services, the Commission on Organization of the Executive Branch of the Government has this to say on the subject:

Three major internal activities of the Federal Government now suffer from a lack of central direction. These are supply, records management, and the operation and maintenance of public buildings. These activities are carried on in several places within the executive branch with varying degrees of adequacy. While, as a general rule, centralized direction is lacking, there are some instances of the exact reverse of this situation in which operations are centrally controlled down to the smallest detail.

To the general public, the "housekeeping" activities listed above are little known, but unless they are properly administered, the executive branch cannot be effectively managed.

In the second part of the same report, relating to Federal supply activities, the Commission starts by saying:

The Federal Government runs one of the greatest supply businesses in the world. It is spending more than \$6,000,000,000 a year for new material, supplies, and equipment for the regular activities of the civilian and military agencies. In addition, since 1941, the Federal Government has been engaged in enormous purchases for export in connection with lend-lease and foreign-aid programs. It makes huge purchases of strategic and critical materials from foreign sources, and imports them for the national stock pile.

The Federal Government also has in storage, in the continental United States, military and civilian inventories valued at \$27,000,000,000. No one knows accurately the total worth of Government personal property currently being used, but its million or more motor vehicles, for example, have a value of at least \$2,000,000,000. The Government also pays out more than \$1,000,000,000 yearly for transportation of property, and \$440,000,000 in salaries of the nearly 150,000 employees working in supply operations.

As recommended by the Commission on Government Organization, the bill here reported establishes a General Services Agency, headed by an Administrator directly and personally responsible to the President, who, in turn, is authorized to issue policies and directives which shall govern the Administrator and all executive agencies. Also as recommended by the Commission, there are lodged in the new agency (a) the Bureau of Federal Supply of the Treasury Department, which now has limited over-all responsibility for the procurement of personal property and for the cataloging, supply, and utilization of such property; (b) the National Archives Establishment, which now has limited responsibility in the field of records management, mainly having to do with the maintenance and preservation of historical records; and (c) the Public Buildings Administration of the Federal Works Agency, which provides and manages most office and warehouse facilities for the Government. To round out this organizational structure, the bill also transfers to the General Services Agency (a) the War Assets Administration which, under present law, would be liquidated on June 30 of this year and its functions scattered among several agencies; and (b) all other functions of the Federal Works Agency. These other functions of the Federal Works Agency likewise are of a service character and the committee feels that they logically belong in any General Services Agency. These service functions consist generally of the design and construction of public buildings, the disposal of surplus real property, the conduct (in the Public Roads Administration) of the Federal-aid road program and the provision of roads for other agencies, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the National Industrial Reserve, disaster relief, the administration of certain functions of the water-pollution-control program, etc. Management of the general services of the Government cannot be conducted efficiently unless these responsible units are brought under a common leadership and direction. In so doing, and recognizing that this is a relatively new field for the Government, the bill authorizes the Administrator to transfer, regroup, and distribute functions within the agency.

In conformity with recommendations of the Commission on Organization of the Executive Branch on uniform nomenclature (No. 21, Rept. No. 1, on general management originally proposed by this committee in S. Rept. No. 243, June 6, 1947), the committee has changed the Public Buildings Administration to the Bureau of

Public Buildings, and the Public Roads Administration to the Bureau of Public Roads.

The Commission, in its report on the Department of Commerce, has also recommended that the Bureau of Public Roads be transferred to that Department as an important component of a new alinement of transportation services (recommendation No. 7). The committee has, however, withheld action on such transfer until some determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce, and on the proposed consolidation of transportation agencies.

Likewise, the bill also transfers the Bureau of Community Facilities to the new General Services Agency. The Hoover Commission has recommended (recommendation No. 4, on the Department of the Interior) that community services be centralized in general building construction services. In the bill, the President is given authority to continue the Bureau of Community Facilities within the new agency for such time as he may determine, and the Congress should consider this problem further in connection with related reorganizations.

While fixing management responsibility, the bill provides operating machinery flexible enough to cope with the needs for specialized service. For instance, the Secretary of Defense is authorized, unless the President otherwise directs, to exempt the National Military Establishment from uniform procurement whenever he deems such exemption required in the interest of national security. Similarly exempted from central control are the purchase and disposal of farm products under programs conducted by the Department of Agriculture for purposes of price support or stabilization. In other respects, the bill provides, generally, for uniform policies and methods of procurement, supply, and related functions. This is expected to stop the great losses previously incurred by the Government through competition of executive agencies for the same articles in the same markets, unnecessary buying, lack of quantity purchases, and other inefficiencies.

Equally great losses have been suffered by the Government through purchasing of new articles by one agency when serviceable articles of the same type are available in the inventories of other agencies and excess to their needs. The bill is expected to stop these losses. It provides a uniform system for the identification and classification of property, and for the standardization of contract forms, specifications and procedures. It requires executive agencies to maintain reasonable, inventory levels and to establish adequate inventory controls. The Comptroller General is authorized to prescribe principles and standards for property accounting. The bill requires continuing surveillance by every executive agency of the property under its control and it authorizes the Administrator to make surveys of such property and of property-management practices. Through these measures, the committee believes that there can be, and, if efficiently administered, that there will be maximum utilization of property already owned by the Government and minimum purchasing of new property.

Again in line with the recommendation of the Commission on Government Organization, the bill provides a central system relating to traffic management, transportation, and other public-utility services for the use of executive agencies.

As most of the objectives of the Surplus Property Act of 1944 have largely been attained, the bill, in harmony with existing law, dispenses with all priorities and preferences on personal property. The committee believes, however, that, from time to time, there will become surplus to the Government books, equipment, or other supplies the sale of which would realize little monetary return but which would be usable by and of great benefit to our schools and colleges. The bill therefore authorizes the Administrator, in his discretion, to donate such surplus property for educational purposes upon the recommendation of the Federal Security Administrator. The committee believes that the authority vested in the Federal Security Administrator is broad enough to authorize him to redelegate his authority to some other person designated by him, and that the appropriate designee in this specific instance would be the Commissioner of Education.

Surplus real property generated by World War II is in a different situation. Accordingly, the committee has retained existing priorities and preferences with respect to the disposition of surplus real property, including public benefit allowances for education, health, municipal airports, public parks, and recreational purposes.

Title III extends to the General Services Agency the principles of the Armed Services Procurement Act of 1947, with appropriate modifications principally designed to eliminate provisions applicable primarily to the military. The Administrator of General Services under certain circumstances is also permitted to delegate to any other executive agency, not named in the Armed Services Procurement Act, authority, under certain circumstances, to make purchases and contracts pursuant to the provisions of title III. This title provides for the modernization of procurement methods and procedures. It clarifies and preserves the formal advertising method of procurement, but at the same time, under proper control, authorizes negotiation in certain classes of cases. This title is designed to cope with future as well as presently existing situations, and to constitute a comprehensive code of procurement methods and procedures.

The committee believes that title III is substantially in accord with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its Report on the Organization and Management of Federal Supply Activities, that legislation be enacted to apply the principles of the Armed Services Procurement Act of 1947 to buying by all agencies, this authority, however, to be lodged in the President (recommendation No. 2 p. 40, of the Combined Report on Office of General Services, and Supply Activities). Title III is substantially in accord with the report unanimously adopted by the Procurement Policy Board of the War Production Board in the fall of 1945 and in accord with legislation drafted by a special committee of the Procurement Policy Board.

Under the administration of the Department of State, most of the surplus property generated in foreign areas as a result of World War II has either been sold or has been committed for sale. The remaining small inventory is widely dispersed and of specialized or technical character; in most cases the cost of transportation back to this country probably would exceed either the use value to the Government or the sales return in the commercial market. Title IV of the bill deals with this problem and provides that the agencies responsible for such prop-

erty shall dispose of it where located abroad, taking into consideration the foreign policy of the United States. As a practical matter, this means that the armed services will dispose of surplus property located in foreign countries pursuant to policies established by the Secretary of State.

As stated above, existing authority of the National Archives Establishment with respect to records management is considerably limited. The committee feels, however, that even this limited authority will enable the Administrator of General Services to make at least a start in this field. Later, when this problem has been more thoroughly studied, the Congress might enact new and broader legislation for records management in line with the recommendation of the Commission on Organization of the executive branch of the Government.

The committee feels very strongly that the economies resulting directly from consolidation of agencies are and should be only a beginning to the savings which will accrue to the Federal Treasury under the bill. Many millions more can be and must be shaved from expenditures for property management through merger of common services and the resultant reduction of overhead and elimination of duplicatory activities. Further, as previously noted, the maximum use of Federal property by the Federal Government will, with efficient administration, reduce procurement requirements to a minimum.

SECTION-BY-SECTION ANALYSIS

PREAMBLE

The bill commences with a short title styled the "Federal Property and Administrative Services Act of 1949," following which is a table of contents.

Section 2. Declaration of policy

This is very brief and states the intent of the Congress to provide for the Government an economic and efficient system for (a) the procurement and supply of personal property and nonpersonal services and performance of related functions; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management. Other sections of the bill implement items (a), (b), and (c) by consolidating the present scattered property functions and by providing a new uniform charter for property management. Item (d) is implemented only by the transfer of the National Archives Establishment to the General Services Agency. Additional legislation will be necessary to establish an effective system of records management. Such a system, however, should be built around the National Archives Establishment, and should be administered in the General Services Agency, so that this transfer is a logical first step toward its creation.

Section 3. Definitions

Several definitions require special note. "Property" includes all interests in property except the public domain and the major classes of naval vessels. "Excess property" means any property under the control of any Federal agency not required for its needs and responsibilities as determined by the head thereof. "Surplus property" means any property which has been declared excess by a particular

Federal agency and which, after a survey of the needs of other Federal agencies, is determined by the Administrator of General Services no longer to be required by the Federal Government as a whole.

TITLE I. ORGANIZATION

Section 101. General Services Agency

(a) *Establishment of General Services Agency.*—This subsection provides for the establishment in the executive branch of the Government of a new agency to be known as the General Services Agency.

(b) *Administrator of General Services.*—This subsection provides that the new agency shall be headed by a new officer of the Government, entitled “Administrator of General Services,” to be appointed, after the enactment of this legislation, by the President by and with the advice and consent of the Senate and to receive compensation at a level to be established by Congress under pending legislation, which would be uniform and apply to all like positions of the same level, the determined amount to be included in the bill by committee amendment.

(c) *Deputy Administrator.*—This subsection provides for a Deputy Administrator to be appointed by the Administrator. The Deputy Administrator will perform such functions as the Administrator may designate and be Acting Administrator during the absence or disability of the Administrator and (unless the President designates another officer to serve as Administrator) in the event of a vacancy in that office. The salary of the Deputy Administrator is to be determined in the same manner as provided under subsection (b).

(d) *Performance of functions pending first appointment.*—This subsection provides that, pending the first appointment of an Administrator, his functions shall be performed, temporarily, by such officer as the President shall designate.

Section 102. Transfer of the Bureau of Federal Supply and contract-settlement functions to the General Services Agency.

(a) *Transfer of the Bureau of Federal Supply.*—This subsection provides for transferring to the General Services Agency the functions, records, and personnel of the Bureau of Federal Supply, now in the Department of the Treasury, and for vesting in the Administrator of General Services the functions of Treasury personnel relating to the Bureau of Federal Supply. The Bureau of Federal Supply has been in the Department of the Treasury since 1933 and exercises central procurement functions for the executive branch of the Government. Its functions are not essentially related to the primary fiscal and tax functions of the Department of the Treasury so that the Bureau may readily be severed from that Department without impairment of the Department’s efficiency. In the General Services Agency the Bureau will supplement the property-service functions of that Agency and will facilitate more economical property management in the Government. Functions of the Secretary of the Treasury, referred to in clause (3), include all functions vested in him by law, but performed by the Bureau for him under appropriate delegation: For example, stock piling under Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and functions of over-all supervision and review of the performance of Bureau functions, incidental to his position as head of the Department.

¶ (b) *Transfer of contract-settlement functions.*—This subsection provides for transfer to the Administrator of General Services of the functions, transferred to the Secretary of the Treasury a little over 2 years ago, of the Director of Contract Settlement and the Office of Contract Settlement created by the Contract Settlement Act of 1944 (58 Stat. 649; 41 U. S. C. 101–125). These functions relate to the establishment of uniform policies and procedures for the settlement of terminated war contracts by Government contracting agencies and, because of the almost complete liquidation of the contract termination program, are now routine and insignificant. Such little work as has been recently required in connection with this program has been carried on in the Treasury primarily by the Bureau of Federal Supply. It would be in the interest of good management to have this Bureau continue to wind up that program. This subsection likewise transfers from the Treasury to the General Services Agency the Appeal Board and the Contract Settlement Advisory Board also created by the Contract Settlement Act of 1944. This transfer is for housekeeping purposes only. The Secretary of the Treasury does not, nor will the Administrator of General Services, review decisions of the Appeal Board which will perform its functions under conditions and limitations prescribed by law.

(c) *Functions retained in the Treasury.*—This subsection permits the Bureau of the Budget to retain in the Treasury Department certain minor functions of the Bureau of Federal Supply, for example, as to printing, which properly pertain to the Treasury Department.

Section 103. Transfer of affairs of the Federal Works Agency

(a) *Transfer of constituents and functions of the Federal Works Agency.*—This subsection transfers to the General Services Agency the functions, records, and personnel of (1) the Public Buildings Administration (to be known as the Bureau of Public Buildings) and (2) the Public Roads Administration (to be known as the Bureau of Public Roads), and all other functions, records, and personnel of (3) the Federal Works Agency. The functions of the Federal Works Administrator, the Commissioner of Public Buildings, and the Commissioner of Public Roads are transferred to the Administrator of General Services.

(b) *Abolition of Federal Works Agency.*—This subsection abolishes the Federal Works Agency and the offices of Federal Works Administrator and Assistant Federal Works Administrator.

(c) *Continuation of Bureau of Community Facilities.*—This subsection provides that the President may continue the Bureau of Community Facilities of the Federal Works Agency as a constituent of the General Services Agency for such time as he may determine.

(d) *Compensation of Commissioner of Public Buildings.*—This subsection provides for the compensation of the Commissioners of Public Buildings and of Public Roads, at salaries to be determined by Congress.

Section 104. Transfer of the National Archives

(a) *Transfer of the National Archives Establishment.*—This subsection transfers to the General Services Agency the functions, records, and personnel of the National Archives Establishment, and to the Administrator of General Services the functions of the Archivist of the United States (except his functions with respect to the disposal of records and his membership in the bodies specified in subsection (b)),

and of the Director of the Division of the Federal Register. The Archivist is to be appointed by the Administrator and receive compensation at an appropriate rate to be established by Congress.

(b) *Transfer of National Archives Council and other bodies.*—This subsection transfers to the General Services Agency the National Archives Council, the National Historical Publications Committee, the National Archives Trust Fund Board, the Board of Trustees of the Franklin D. Roosevelt Memorial Library, and the Administration Committee of the Federal Register, and provides that the authority of the Administrator of General Services shall not extend to those bodies or their functions.

Section 105. Transfer for liquidation of the affairs of the War Assets Administration

This section provides for the liquidation of the affairs of the War Assets Administration as an agency and transfers its remaining functions, and its records, property, personnel, obligations, and commitments to the General Services Agency. It also permits the retention of certain special assistants and other experts now holding appointments without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, and their appointment to similar positions.

The retention in employment and the status of other personnel transferred from War Assets Administration to the General Services Agency will be governed by applicable provisions of existing law.

Section 106. Redistribution of functions

Under this section the Administrator of General Services, in order effectively to perform the functions vested in him under the terms of this bill, is authorized to regroup and distribute within the Agency, functions transferred to or vested in him by the bill, and, with approval of the Director of the Bureau of the Budget, to make appropriate transfers of funds in connection therewith. Approval of the Director is required in order to assure that funds are expended for the purpose for which they were appropriated, but it is not intended to give him a veto power over the Administrator so far as the organization of the Agency is concerned.

Section 107. Transfer of funds

This section transfers to the General Services Agency for activities under the bill the appropriations, allocations, or other funds available to the Department of the Treasury, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment for the functions transferred.

Section 108. Status of transferred employees

This section provides that, subject to other provisions of this title relating to personnel, employees transferred shall be deemed to be employees of the General Services Agency so as not to require reappointment.

TITLE II. PROPERTY MANAGEMENT

This deals with the subject of property management within the United States.

Section 201. Procurement, warehousing, and related activities

(a) *Centralized control.*—This subsection authorizes the Administrator of General Services, where it is advantageous to the Government, to regulate the policies and methods of executive agencies with respect to the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public-utility services, repairing and converting, and establishment of forms and procedures. The Administrator may himself procure such personal property and nonpersonal services and perform such related functions, may consolidate and operate or arrange for the operation of suitable warehouses, repair shops, and similar facilities, and may represent executive agencies in negotiations with, and in proceedings before, regulatory bodies involving carriers and other public utilities. The provisions with respect to traffic management and management of public-utility services, and representation are not intended to abrogate any authority of the Department of Justice with respect to legal proceedings. This authority over procurement matters vested in the Administrator is a restatement of authority currently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new, and that the relationship with the National Military Establishment is somewhat changed. The Secretary of Defense is authorized, unless the President shall otherwise direct, to exclude procurement for the National Military Establishment from control of the Administrator where the Secretary deems exclusion in the best interest of national security. Combat equipment and other items of peculiar importance to the armed forces could thus readily be excluded by the Secretary of Defense. At the same time, the Administrator would be in a better position to serve the armed forces more fully in meeting their other supply requirements, and he can appeal to the President if he thinks the Secretary of Defense has wrongly excluded him from any field.

(b) *Services to the legislative and judicial branches, and mixed-ownership corporations.*—This subsection authorizes the Administrator upon the request of any agency in the legislative or judicial branches of the Government, or of any mixed-ownership Government corporation, or of the District of Columbia, to purchase, warehouse, and distribute personal property and nonpersonal services to meet their needs. Government economy will be furthered by allowing these organizations, supported in whole or in part by the Federal Government, to take advantage of savings in procuring supplies which the Administrator can provide through the operation of a central procurement system.

It is believed that with the exceptions provided in the bill, the system of centralized procurement, strengthened by the statutory support which the bill provides, will prove its efficiency and economy in the years to come. This does not mean that every item must be procured by a central agency, but only that such an agency must be responsible

for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances.

(e) *Application of trade-in allowances.*—This subsection authorizes executive agencies to exchange or sell personal property and apply the trade-in allowance or proceeds of sale in whole or part payment for property acquired where such exchange is the common commercial practice. This is an expansion of authority given under a number of existing statutes to specific agencies or with respect to specific types of property.

Section 202. Property utilization

This section deals with the most important phase of property management, which is continuing use by the Government of the Government's property.

(a) *Over-all direction of Administrator of General Services.*—This subsection fixes upon the Administrator of General Services the over-all responsibility to prescribe the policies and methods to promote the greatest use in the entire executive establishment of property which is excess to the needs of one particular establishment and also to provide for the transfer of such property among Federal agencies.

(b) *Responsibility of executive agencies to survey property.*—This subsection imposes upon each executive agency the responsibility, in the first instance, (1) to maintain adequate inventory controls and accountability systems for its property (see also Sec. 205 (b)) (2) to survey its property continuously to determine which is excess to its needs and promptly report excess property to the Administrator, (3) to care for such excess property, and (4) transfer or dispose of such property in accordance with authority delegated and regulations prescribed by the Administrator.

(c) *Responsibility of executive agencies to use property.*—This subsection similarly imposes upon each executive agency the responsibility, in the first instance, to reassign property among activities within such agency, to transfer its excess property to other agencies, and to obtain for its use property which is excess to the needs of other agencies.

(d) *Transfer of property within National Military Establishment.*—This subsection permits the free transfer of excess property among the Departments of the National Military Establishment under existing provisions of law and procedures defined by the Secretary of Defense.

(e) *Terms for transfer of excess property.*—This subsection generally requires that transfers of excess property between Federal agencies shall be at the fair value thereof, as determined by the Administrator of General Services. Exceptions are made in the case of a transfer for general distribution among Federal agencies or for disposal as surplus property or where such transfer without reimbursement is otherwise authorized by recent legislation. "Transfers for redistribution to other Federal agencies" refers to instances where property is turned over to the Bureau of Federal Supply for redistribution rather than transferred direct for the use of another agency. When the redistribution occurs the transfer should be at fair value.

(f) *Transfer of property within an agency.*—Under this subsection transfers of property among activities financed by different appropriations to the same agency must be reported to the Director of the Bureau of the Budget and, in turn, reported to the Congress.

(g) *Assignment of office and warehouse space.*—This subsection clarifies and strengthens existing law by authorizing the Administrator

of General Services to assign and reassign space in excess real property to any Federal agency for office, storage, or related facilities. He may obtain reimbursement for such assignment in the absence of an appropriation available to him therefor. It is expected that operations under this subsection can and should materially lessen the present leasing of space for Government use in private office buildings.

(h) *Abandonment or donation of property.*—This subsection authorizes the abandonment, destruction, or donation to public bodies, of property having no commercial value, or the estimated proceeds from its sale.

Section 203. Disposal of surplus property

(a) *Responsibility of General Services Administrator.*—This subsection provides that the General Services Administrator shall have supervision and direction over the disposition of property surplus to the needs of the entire Government.

(b) *Care and handling of surplus property.*—This subsection provides that the care and handling of surplus property pending its disposition, and the disposal of surplus property, may be performed by the General Services Agency or any executive agency designated by the Administrator. An agency other than the one in possession, however, cannot be designated to perform care and handling or disposal without its consent.

(c) *Terms of disposal.*—This subsection provides that any agency disposing of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and may execute such documents for the transfer of the property as may be necessary.

(d) *Title of transferees.*—This subsection is designed to protect the interest of bona fide grantees or transferees. It makes instruments purporting to transfer title or other interest in surplus property under this act, which are executed by an executive agency, conclusive evidence of compliance with the provisions of the act in the absence of notice of defects.

(e) *Advertising for bids.*—This subsection provides that surplus property disposals may be made without regard to provisions of existing law for advertising, unless otherwise determined by the Administrator, until December 31, 1950. Thereafter, advertising and competitive bids will be required in disposing of such amount of surplus real property generated by World War II as is not sold by that date.

(f) *Adjustments for contractor inventories.*—This subsection provides that contractors or subcontractors with executive agencies may be authorized to retain or dispose of their contractor inventories.

(g) *Consultation with Secretary of Agriculture.*—This subsection requires the Administrator to consult with the Secretary of Agriculture in formulating policies for the disposal of surplus agricultural commodities, surplus food processed from agricultural commodities, and surplus cotton and woolen goods, and further requires that such policies shall be formulated to prevent surplus agricultural commodities or surplus food products from being dumped on the market in such manner as to disrupt the market prices for agricultural commodities.

(h) *Disposal of agricultural commodities.*—This subsection requires the Administrator to transfer to the Department of Agriculture with-

out charge, any surplus agricultural commodities, foods, or cotton or woolen goods, whenever the Secretary determines it necessary in carrying out his responsibilities with respect to price support or stabilization, and further requires that the receipts from disposals by the Department of Agriculture shall be deposited pursuant to authority available to the Secretary of Agriculture and the net proceeds of sales of property so transferred shall be credited pursuant to the provisions relating to proceeds in section 105 (b). It also provides that, except when sold for export, surplus farm commodities so transferred may not be sold in quantities in excess of or at prices less than those relating to such commodities when sold by the Commodity Credit Corporation.

(i) *Disposal of vessels for merchant use.*—This subsection establishes the United States Maritime Commission as the statutory disposal agency for surplus vessels of 1,500 gross tons or more, which it determines to be merchant vessels or capable of conversion to merchant use. Such vessels are to be disposed of in accordance with the Merchant Marine Act of 1936 and other laws relating to the sale of such vessels.

(j) *Donations for educational purposes.*—This subsection authorizes the Administrator of General Services, in his discretion, to donate surplus personal property usable for educational purposes as determined by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services, either direct or through State departments of education, to tax-supported and nonprofit school systems, schools, colleges, and universities. Provision is also made for allocation by the Secretary of Defense, for transfer by the Administrator to educational activities of special interest to the armed services, such as maritime academies or military or naval preparatory schools, of surplus property of the National Military Establishment which the Secretary determines to be usable for such activities. It is expected that the Federal Security Administrator will delegate to the United States Commissioner of Education authority to make determinations and allocations under his general supervision, and that the Secretary of Defense will similarly delegate to an appropriate official his authority under this subsection.

(k) *Conditions of transfer of surplus property.*—Under the Surplus Property Act of 1944, as amended, surplus property has been transferred to States and political subdivisions thereof, and to tax-supported or nonprofit educational and medical institutions for specified uses, subject to various conditions and reservations. This section would permit the head of the interested Government agency, subject to disapproval by the General Services Administrator, to enforce compliance with such conditions or reservations, to reform or correct the instruments of transfer by which such conditions or reservations are imposed, and to grant releases (including conveyances by quitclaim deed, in the case of real estate) from such conditions and reservations. Such releases are to be conditioned upon findings that the property no longer serves the purpose for which the transfer was made, or that release will not prevent accomplishment of the purpose of such transfer, and upon such other conditions as may be necessary to protect or advance the interests of the United States.

(1) *Abandoned property.*—Authorizes the Administrator to take possession of abandoned and other unclaimed property on Government premises to determine when title thereto vested in the United States, and to utilize transfer or otherwise dispose of such property. Former owners of such property will have three 3 from the date of vesting of title in the United States to file claim and if such claim is found proper are to be paid the proceeds realized from the disposition of the property, or, if the property is used or transferred, its fair value as of the time title vested in the United States as determined by the Administrator less in either case the costs incident to the care and handling of such property as determined by the Administrator. It is contemplated that if such property is utilized or transferred its fair value will be paid by the receiving agency in line with the provisions of section 202 (c) and that such amounts and proceeds realized from dispositions will be covered into the Treasury as miscellaneous receipts pursuant to section 204 (a). Under other authority in the bill appropriations may be made for payment of any claims presented by the rightful owners.

Section 204. Proceeds from transfer or disposition of property

(a) *Deposit of proceeds into miscellaneous receipts.*—This subsection requires all proceeds from the transfer of excess property to a Federal agency or from the sale, lease, or other disposition of surplus property to be covered into the Treasury as miscellaneous receipts, with the exceptions noted in subsections (b), (c), and (d).

(b) *Crediting of reimbursable funds.*—This subsection provides that in cases where the property was acquired by funds either not appropriated from the general fund of the Treasury, or appropriated therefrom and by law reimbursable from assessments, taxes, or other revenues, the net proceeds of the disposition or transfer of such property shall be credited to the reimbursable fund or appropriation or paid to the Federal agency declaring such property excess. It further provides that the proceeds shall be credited to miscellaneous receipts if the agency declaring the property excess shall deem it uneconomical or impracticable to ascertain the amount of net proceeds.

(c) *Refunds to purchasers.*—This subsection provides that Federal agencies disposing of surplus property may deposit in a special account with the Treasury whatever amounts they deem necessary to permit refunds to purchasers when any disposition is rescinded, or for breaches of warranty, and to withdraw the amounts so to be refunded or paid.

(d) *Proceeds from contractors' sales.*—This subsection recognizes that the contractual provisions authorizing the proceeds of sales of property to be credited to price or cost of the work covered by the contract, are controlling and are not subject to the requirements of the act relating to covering proceeds into the Treasury as miscellaneous receipts.

(e) *Preservation of security.*—This subsection authorizes the Administrator to preserve and manage any mortgage, lien, or other interest retained as security in the disposition of surplus property, and authorizes him to enforce and settle the rights of the Government with respect thereto.

Section 205. Policies, regulations, and delegations

(a) *Presidential policies.*—By reason of the impact of this legislation upon all agencies in the executive establishment, this subsection authorizes the President, if he deems it advisable, to prescribe over-all policies and directives to govern the Administrator of General Services and executive agencies in operations under this act.

(b) *Property accounting systems.*—This subsection requires the Comptroller General, after considering the needs and requirements of executive agencies, to prescribe principles and standards of accounting for property, to cooperate with the Administrator of General Services and the executive agencies in developing property accounting systems, to approve satisfactory systems, to examine agency systems to determine the extent of compliance with principles, standards, and approved systems, and to report to the Congress cases of failure to comply therewith or adequately to account for property.

This is more flexible and vests more authority in the operating agencies than the recent independent offices appropriations acts, which prohibit the several agencies there named from installing or maintaining any property accounting system not prescribed or approved by the Comptroller General. The committee urges cooperation between the Comptroller General and other agencies in order that operating needs and costs may be fully considered. This section applies to all executive departments and agencies, with the exception, as provided in section 502 (e), of corporations and agencies subject to the Government Corporation Control Act.

(c) *Regulations of the Administrator.*—This subsection requires the Administrator to prescribe regulations for the effectuation of his functions under the act, and also requires the head of each executive agency to issue such orders and directives as are necessary to carry out such regulations.

(d) *Delegations of authority.*—Under this subsection the Administrator may redelegate his authority excepting, however, the authority to issue policy regulations and the authority to make reorganizations within the General Services Agency.

(e) *Designation of other agencies.*—So as to provide the greatest use of existing personnel and facilities within established agencies, this subsection authorizes the Administrator to designate other executive agencies to perform various procurement, utilization, or disposal functions with the proviso that any such designation shall be made only with the consent of the agency concerned or upon direction of the President.

This proviso would not apply to the authority of the Administrator to prescribe regulations and the duty of agency heads to implement them under subsection (e).

(f) *Transfer of personnel and funds.*—When any designation is made under subsection (d) the Administrator may, under this subsection, transfer funds and personnel to the affected executive agency.

(g) *Advisory committees.*—This subsection authorizes the Administrator to establish advisory committees to advise with him in carrying out his functions. Experience has demonstrated the value of such committees to Government officers where Government programs affect closely business and industry. Specific statutory authorization is necessary because of the prohibitions against unauthorized boards and commissions in title 31, United States Code, section 673, volume 35, Statutes at Large, page 1027. Compare also title 5, United States

Code, section 83, volume 37, Statutes at Large, page 124, and title 31, United States Code, section 551, volume 49, Statutes at Large, page 19. Because of the better control over the membership and activities of industry committees which is possible when they are established pursuant to statute, it would be advisable to provide specifically for such committees even apart from these laws.

(h) *Consultation with other agencies.*—This subsection makes it mandatory for the Administrator to advise and consult with affected Federal agencies.

Section 206. Surveys and standardization

(a) Surveys, supply catalog, and contract forms.—This subsection authorizes the Administrator to survey Government property and management practices, to cooperate with executive agencies in the establishment of reasonable inventory levels and to report excessive stocking to the Congress and the Budget Bureau, to establish and maintain a uniform Federal supply catalog system, and to prescribe standardized purchases and contract forms, procedures, and specifications. Making surveys, requiring reports concerning Government property, and establishing inventory levels, with due regard for the requirements of agencies concerned, will obviously promote better supply practices, and indeed are indispensable if the powers under sections 201 and 202 are to be effectively exercised. The Administrator's reports on excessive stocking will enable the Appropriations Committees and Budget Bureau examiners to make suitable reductions in appropriations and estimates. The authority to standardize Government purchase and contract forms, procedures, and specifications has been in effect and in use for many years and is demanded by industry to make its relations with Government easier. It is confusing and costly, for example, to have a contract for a supply item, with one agency, different in meaning and effect from one for the same kind of item with another agency. Existing control over the standardization of the Government construction contract forms and leases is continued in effect by provision in section 502 (b).

A uniform Federal supply catalog system, which identifies and classifies personal property under the control of Federal agencies, is essential for a well-managed Federal supply system so that there may be a common supply language among all parties to a transaction. The catalog will ultimately mean large savings to the Government through reducing inventories of parts and supplies. Without such a catalog, identical items are carried in stock under different designations, swelling inventories to needless size. This cannot be avoided until each item is described, classified, and given a number for identification, so that duplications can be spotted at once. The disposal of surplus Government personal property will thus likewise be speeded. Provision is made for coordinating catalog activities with those of the National Military Establishment.

This subsection makes it clear that the National Military Establishment and the Bureau of Federal Supply will continue to cooperate toward the development of a Federal catalog system, as requested by the President, in accordance with the agreement (appendix A) signed by them.

(b) *Catalog and specifications mandatory.*—Due to the savings resulting from common use of the uniform supply catalog system and of standard purchase specifications, this subsection requires executive

agencies to use them as far as practicable when prescribed by the Administrator. It is contemplated that questions of practicability, where dispute arises, will be settled by the Administrator.

(c) *Audit of property accounts.*—This subsection requires the General Accounting Office to audit all types of property accounts and transactions, such audit to be conducted at the site when practicable of the property or records and to include an evaluation of the effectiveness of internal controls and audits and a general audit of the discharge of the duty to account for property.

Section 207. Applicability of antitrust laws

This section requires any executive agency in beginning negotiations for the disposal of any plant or other property costing \$1,000,000 or more, to seek advice of the Attorney General, and it shall be the duty of the Attorney General to advise the executive agency whether the proposed disposition of the property would tend to create or maintain a situation inconsistent with the antitrust laws. The executive agency must assist the Attorney General by furnishing him any requisite information it may possess essential to the Attorney General's determination. This section also provides that nothing in the act shall modify or limit the applicability of the antitrust laws to persons who acquire property under the provisions of the act.

In one respect the section is broader than a similar provision in the Surplus Property Act of 1944. It requires a determination by the Attorney General as to whether the proposed disposal would tend to create or maintain a situation inconsistent with the antitrust laws, while under existing law the determination is whether the proposed disposition will violate the antitrust laws.

Section 208. Employment of personnel

(a) *Civil-service laws.*—Employment of personnel is required by this subsection to be subject to the civil-service and classification laws.

(b) *Consultants.*—As an exception to the foregoing, this subsection grants to the Administrator limited authority to procure the temporary service of experts and consultants.

(c) *Officers of other agencies.*—The principal purpose of this subsection is to authorize the Administrator to utilize commissioned officers in the armed services with the consent of the head of the agency concerned.

Section 209. Civil remedies and penalties

(a) *Liability of Government employees.*—This subsection exempts officers and employees of the Government disposing of property under this act from liability with respect to such disposition, except for their own fraud, and from liability for the collection of any purchase price determined to be uncollectible. This provision is necessary because of the wide discretion which must be permitted persons charged with disposition under circumstances calling for swift action, and the tremendous volume of property covered by the act.

(b) *Civil penalties for fraud.*—This subsection deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities or conceal or misrepresent material facts or act with intent to defraud the United States, or who enter into an agreement or conspiracy, or cause other persons to do any of the foregoing. The

United States is given the option of selecting among three different measures of damages—

1. Any person engaged in such activities can be sued for the sum of \$2,000, for each such act, plus twice the amount of the damage sustained by the United States, plus the cost of suit.

2. The United States may recover from such person the amount of consideration paid by it to such person, or twice the amount of consideration which such person agreed to give the United States.

3. The United States may keep the property acquired by reason of the above-described fraud, plus the consideration given to it for that property.

Section 210. Reports to Congress

This section requires the Administrator to submit to Congress in January of each year and at such other times as he may deem it desirable, a report regarding the administration of his functions under the act, together with any recommendations for amendments which he may deem appropriate.

TITLE III—PROCUREMENT PROCEDURE

This title follows in structure, and is identical in language, with the Armed Services Procurement Act with a few appropriate changes and omissions.

Section 301. Declaration of purpose

This section states that the purpose of title III is to facilitate the procurement of supplies and services.

Section 302. Application and procurement methods

(a) This subsection makes the provisions of title III applicable to purchases and contracts for supplies or services made by the General Services Agency either for its own use or otherwise, including centralized procurement. By delegation the Administrator may authorize any other civilian executive agency to use the procedure set forth in title III when such agency is designated to perform a central procurement function. In addition, authority to use the procedures set forth in title III may be delegated by the Administrator to another civilian executive agency in other cases where the Administrator determines that such delegation is advantageous to the Government in terms of economy, efficiency, or national security. It is required that the Administrator's determination in such other cases set forth the circumstances upon which the determination is based. The terms "economy" and "efficiency" will be broad enough to cover cases where authority is delegated to negotiate contracts under 302 (c) (5) and 302 (c) (10) of this title. This title does not confer upon any civilian executive agency any vested right to receive such delegation. It is expected that such power of delegation will not be exercised indiscriminately but rather will be used with care and discretion. It is also expected that the Administrator will make periodic reviews to determine whether the authority so delegated has been properly used, and that he will either take such action as may be necessary to correct any misuse or will withdraw the delegation. After the Administrator has made such delegation he shall give notice thereof to the General Accounting Office.

(b) This subsection states the policy that a fair proportion of the total purchases and contracts shall be placed with small business concerns and further provides that notice of intent to negotiate shall be published in certain cases.

(c) Initially, this subsection reaffirms the basic principle that purchases and contracts shall be made by advertising. Negotiation is made permissible in certain excepted cases, however, to provide flexibility in Government procurement.

(1) This paragraph would permit automatic and immediate transition from more rigid peacetime advertising procedures to a completely flexible system if the President or the Congress declares the existence of a national emergency.

(2) This provision is an adaptation of a portion of section 3709 of the Revised Statutes as amended by section 9 (a) of the act of August 2, 1946 (60 Stat. 809; 41 U. S. C. 5). Whenever urgency requires an immediate purchase this exception would be available irrespective of whether the emergency could or should have been foreseen.

(3) This paragraph extends to the General Services Agency the power to negotiate if the aggregate amount involved does not exceed \$1,000. However, no delegation of such authority may be made to other executive agencies under this paragraph for purchases or contracts for supplies or services in excess of \$500 unless such purchasing or contracting is for centralized procurement.

(4) This provision permitting negotiation for personal or professional services is an adaptation of the exception from advertising provided by section 3709 of the Revised Statutes, as amended, hereinabove referred to.

(5) This paragraph would permit negotiation of contracts for technical assistance, expert study and the application of specialized knowledge to be performed by any university, college, or other educational institution. This would cover matters which might not clearly qualify as experimental, developmental, or research work under paragraph (10) of this section.

(6) Under this paragraph if supplies or services are to be procured and used outside the limits of the United States and its possessions the contracts or purchases may be negotiated. In such cases it is frequently impracticable or uneconomical to advertise.

(7) Due to the technical nature, special characteristics, and differing qualities of medicines and medical supplies it is sometimes extremely difficult if not impossible to describe adequately in detailed specifications the exact characteristics of qualities needed. In such cases the need for negotiation is clear.

(8) Where supplies are purchased for authorized resale, the purchasing agency must accommodate the brand preference or the quality preference of the organization requesting the purchase. This paragraph therefore provides authority to negotiate such purchases.

(9) This paragraph provides for negotiation where it is impracticable to secure competition and places upon the agency concerned the maximum responsibility for decisions as to when it is impracticable. It is intended that this paragraph should be construed liberally.

(10) The very nature of a research and development contract does not ordinarily lend itself to formal advertising. This paragraph therefore provides that contracts for experimental, developmental, or research work or for the manufacture of furnishing of supplies for

experimentation, development, research, or test may be negotiated and provides also for periodic reports to the Congress of action taken under this paragraph.

(11) It is provided that in cases where the purchase or contract should not be publicly disclosed negotiation may be employed. In such cases public disclosure through advertising would clearly be adverse to the interests of the Government.

(12) This paragraph permits negotiation of contracts for technical equipment in order to assure standardization of equipment and interchangeability of parts when such standardization and interchangeability is necessary in the public interest. It is intended that this authority should be used in special situations or in particular localities and such provision has been therefore added to the language as it appears in section 2 (c) (13) of the Armed Services Procurement Act of 1947. The paragraph would protect in every way possible the principles of competition and antimonopoly consistent with the occasional need for such standardization, and section 307 (b) of this title provides that the agency head may not delegate his responsibility for making any of the determinations required under this paragraph.

(13) Permits negotiation for supplies or services when it is determined that bid prices after advertising are not reasonable either as to all or some part of the requirements or have not been independently arrived at in open competition. It is designed to cope with cases including those where all bids received are too high, although not actually identical or apparently collusive. The committee believes that this paragraph will be most useful to break collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased, and similar other practices. Notification of the intention to negotiate after such advertising and reasonable opportunity to negotiate must be given to each responsible bidder and also the negotiated price must be the lowest negotiated price offered by any responsible supplier. This paragraph is a modification of paragraph 2 (c) (15) of the Armed Services Procurement Act of 1947. The modification will remove a restriction which in cases such as sudden upward market fluctuations might make it impossible to secure the needed supplies.

(14) This provision would preserve the authority to negotiate contracts conferred by other permanent legislation, for example, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U. S. C. 98-98h). This paragraph also has the effect of permitting negotiation under any relevant law which may be subsequently enacted whether said law is general or special legislation.

(d) The immediate furnishing of evidence of possible violations of the antitrust laws to the Department of Justice as required by this subsection will facilitate appropriate action where violations exist and will have a valuable moral effect on bidders. Compliance with this paragraph is not to be construed, however, as a condition precedent before exercise of the authority conferred by this title.

(e) For clarity this subsection provides that section 302 does not authorize or change the existing requirements for authorization for the erection or repair of buildings, roads, sidewalks, or similar items.

Section 303. Advertising requirements

(a) This section would establish broad standards for advertising, reserving appropriate discretion in the agency. It is considered both unnecessary and unwise to prescribe detailed and restrictive requirements, and it is believed that such matters should be left to be dealt with by regulation. The section provides that advertising shall be so conducted as to secure such full and free competition as is consistent with the procurement of types of supplies and services needed.

(b) This subsection provides for the public opening of bids and reaffirms the principles that the award shall be made to the responsible bidder whose bid is most advantageous to the Government, price and other factors considered, and that the Government may reject all bids when such action is deemed advisable. The question as to whether a particular bidder is a "responsible bidder" requires sound business judgment and involves evaluation of the bidder's experience, facilities, technical organization, reputation, financial resources and other factors and a broad discretion is accordingly reserved to the agency with respect to the making of such determination.

Section 304. Requirements of negotiated contracts

(a) The right to use the most suitable type of contract is a necessary and inseparable adjunct to the right to negotiate and this subsection therefore permits negotiated contracts to be of any type which in the opinion of the agency head will promote the best interests of the Government, except as provided in subsection (b). Authority to negotiate contracts in the first instance carries with it equal authority to negotiate subsequent changes in the terms of negotiated contracts and such amendments may also be of such type as the agency head believes will promote the best interests of the Government. This subsection also provides that every negotiated contract shall contain a suitable warranty against contingent fees.

(b) This subsection prohibits the cost-plus-a-percentage-of-cost system of contracting and prescribes maximum fees in connection with cost, plus-a-fixed-fee contracts. Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract may be used unless it is determined that such method is likely to be less costly than other methods or that it is impracticable to secure supplies or services of the kind or quality without the use of such type of contract.

Section 305. Advance Payments

(a) This permits the agency head to make advance payments under negotiated contracts upon adequate security if the agency head determines such payments to be in the public interest or in the interest of the national defense and necessary and appropriate in order to procure the required supplies or services. This authority is essential in periods of emergency and in peacetime it is often the only way in which it can be made possible for a small business concern to handle Government contracts. Often institutions of learning, research laboratories, inventors, and similar contractors who perform most of the experimental, research and developmental contracts need advance payments because they do not have sufficient funds to finance or are unwilling to finance such contracts completely out of their own resources. The power to make advance payments is permissive only, and under section 307 (b) of this title may not be delegated by the agency head.

(b) The additional form of security by way of lien which is provided for by this subsection is a permissive feature which may be very useful, especially in the event that a joint bank account, a controlled account, or a special bank account is established in connection with an advance payment.

Section 306. Waiver of liquidated damages

This section permits the Comptroller General, in his discretion, upon proper recommendation by the agency concerned, to remit sums due the Government under contract terms providing for the assessment of liquidated damages for a delay in performance. This will permit the Comptroller General to meet those situations in which the strict application of the liquidated damages provisions would be inequitable either in whole or in part and regardless of whether timely notice is given with respect to the delay.

Section 307. Administrative determinations and delegations

(a) This subsection provides that the determinations and decisions to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts and that such determinations and decisions shall be final. It allows delegation by the agency head except in those cases designated in subsection (b) of this section. The determinations and decisions so made will not be made subject to invalidation or challenge by the Comptroller General or the courts. However, the broader the power or the more important the decision or determination, the higher the level at which the decision or determination will be made.

(b) This subsection prohibits the agency head from delegating the power to make the determinations or decisions specified in paragraphs 11 and 12 of section 302 (c), which concern respectively contracts which should not be publicly disclosed and standardization of technical equipment and in section 305 (a), concerning the making of advance payments. This subsection also restricts the power of the agency head to make the decision or determinations specified in paragraph (10) of section 302 (c) which concerns experimental, developmental, or research contracts. Furthermore, under this subsection the Administrator's power to delegate to another civilian executive agency the right to use the authority provided under title III can be delegated by the Administrator only to the Deputy Administrator of the General Services Agency or to the chief official of any principal constituent agency of the General Services Agency. It is believed that such power to confer authority upon another civilian agency should be exercised only at a high level within the General Services Agency.

(c) As a further safeguard this subsection requires that determinations or decisions concerning research and development contracts, contracts which should not be publicly disclosed, standardization of technical equipment, and negotiation after advertising, the type of contract to be used and the making of advance payments shall be based upon written findings, that these findings shall be final, and shall be available within the agency for at least 6 years after making such determination. Furthermore, it provides that a copy of the findings shall be furnished to the General Accounting Office with the contract.

(d) Data with respect to negotiation is required to be preserved in the agency for 6 years following final payment on the contract except where negotiation is pursuant to public exigency, a dollar amount, for personal or professional services, for services to be rendered by an educational institution, or for supplies or services which are to be purchased and used outside the limits of the United States or its possessions.

Section 308. Statutes continued in effect

This section provides that contracts executed under this title shall not be exempt from the provisions of the Walsh-Healey Act, the Davis-Bacon Act, or the 8-hour law by reason of their having been entered into by negotiation.

Section 309. Definitions

(a) This subsection defines the term "agency head" as used in title III to mean the head, or an assistant head of any executive agency, and provides that the term may at the option of the Administrator include the chief official of any principal constituent agency of the General Services Agency. This is deemed salutary in order to reserve the power of determination and decision at an adequately high level, and at the same time to designate the officials intended to be covered.

(b) This subsection defines supplies to include all property except land, and to include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, vessels, aircraft, parts accessories, equipment, machine tools, and alteration or installation thereof. These illustrations are intended only as examples and the committee has attempted to meet present and future contingencies.

Section 310. Statutes not applicable

This section provides that the following acts shall not be applicable to the procurement of supplies or services by the General Services Agency:

Revised Statutes, section 3709, as amended; which concerns formal advertising;

Revised Statutes, section 3735, which prohibits the making of contracts for "stationery or other supplies" for more than 1 year; and

Sections 1 and 2 of the act of October 10, 1940, which set forth certain specific exemptions from Revised Statutes, section 3709, which are not in harmony with this title.

These statutes would also be suspended for procurement made by another civilian executive agency, under proper delegation of authority made by the Administrator and solely within the scope of that authority, and such suspension would be limited to the extent and within the purview of the authority thus delegated.

TITLE IV. FOREIGN EXCESS PROPERTY

Section 401. Disposal of foreign excess property

This section generally provides that, except where commitments exist under previous agreements, all excess property located in foreign areas shall be disposed of by the owning agency. The head of the agency in question is directed to conform to the foreign policy of the

United States in making such disposals. The section provides further that the Secretary of State shall continue to administer existing agreements with respect to the disposal of foreign excess property and shall have authority to amend, modify, and renew such agreements in order to carry on the foreign educational exchange program and the purposes of the Foreign Service Buildings Act and to provide local currencies under procedures established by the Secretary of the Treasury for the payment of expenses of the United States in the country in question.

Section 402. Methods and terms of disposal

This section authorizes disposals of foreign excess property under terms similar to those in the Surplus Property Act of 1944, as amended, under which foreign disposals are currently being made. Foreign excess property may be disposed of by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper. Such property may be disposed of for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Disposals may be made without advertising when the head of the executive agency finds such a course to be most practicable and to be most advantageous to the Government. Sales of agricultural commodities, food, or cotton or woolen goods must include a condition forbidding importation into the United States unless the Secretary of Agriculture determines that such property is in short supply in this country. The head of the executive agency responsible for disposal may execute the documents necessary to transfer the interest of the United States in the property and may authorize abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated costs of care and handling of which would exceed the estimated proceeds of sale.

Section 403. Proceeds: Foreign currencies

This section provides that the proceeds from sales of foreign excess property shall, if in the form of foreign currencies or credits, be administered in accordance with procedures prescribed by the Secretary of the Treasury and shall, if in United States currency or when reduced to United States currency, be covered into the Treasury as miscellaneous receipts. The provisions of section 204 (b) relating to reimbursable funds or appropriations shall apply to proceeds of foreign excess property under this title. The section further provides that any executive agency disposing of surplus property under this title may establish a special account with the Treasurer of the United States from which appropriate refunds to purchasers may be made.

Section 404. Miscellaneous provisions

(a) *Presidential policies.*—The President is granted general authority to prescribe policies deemed necessary to execute the provisions of this title.

(b) *Delegation of authority.*—Any authority conferred upon any executive agency under this title may be delegated and successive

redelegations authorized by the head of such agency to any official in such agency or to the head of another executive agency.

(c) *Employment of personnel.*—The head of each executive agency responsible for the disposal of excess property hereunder may, subject to the civil-service and classification laws, appoint and fix the compensation of necessary personnel and without regard to the civil-service and classification laws appoint and fix the compensation of personnel outside the continental limits of the United States as may be necessary to carry out his functions.

(d) *Reports to Congress.*—Each agency responsible for foreign disposal shall make annual reports to Congress relative to its activities under this title.

(e) *Transfer of personnel, funds, etc.*—Such records, property, personnel obligations, commitments, and unexpended balances of appropriations, allocations, and other funds as are determined by the Director of the Bureau of the Budget to relate to the functions transferred to another executive agency under this title shall be transferred from the Department of State to that agency.

TITLE V. GENERAL PROVISIONS

Section 501. Applicability of existing procedures

This section continues in effect all existing policies and procedures until superseded or amended under authority of the act.

Section 502. Repeal and saving provisions

(a) *Repeal of Surplus Property Act, certain exceptions.*—This subsection repeals all the Surplus Property Act of 1944 except (i) sections 13 (a), (g), and (h), relating to transfers for education and health, the airport program, and parks, recreation, and historic monuments and section 32 (b) (2) relating to the foreign scholarship program, all of which are retained as permanent legislation; and (ii) section 28 suspending a statute of limitations. The priorities and preferences provided for in that act are continued in effect with respect to the disposal of surplus real estate. The provisions of the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, 80th Cong.), as amended, abolishing the War Assets Administration as of June 30, 1949, and assigning its property-disposal functions to several different agencies, are likewise repealed, as are two statutes authorizing the armed services to donate obsolete personal property for educational purposes. The latter statutes were superseded by Public Law 889, Eightieth Congress, which is likewise repealed, since it will be superseded by the donation provisions in section 203 (j). This subsection also repeals parts of some 23 statutes relating to use of trade-in allowances which will be superseded by section 201 (c).

(b) *Repeal of Executive Order 6166.*—This subsection supersedes Executive Order 6166 so far as it relates to the Bureau of Federal Supply.

(c) *Declaration of additional authority.*—By this subsection the authority conferred by the act is declared supplemental and not subject to other legislation.

(d) *Special exemptions from the act.*—This subsection exempts from operations under the act a number of activities requiring special treatment. Chief among these are programs for price support, stabilization, grants to farmers, and foreign aid; procurement procedures under

the Armed Services Procurement Act of 1947 (this statute is concerned only with procedures and it is not intended by its inclusion in this subsection to grant any exemption from the substantive provisions of the bill); the stock piling of critical materials; the national school-lunch program; the Housing and Home Finance Agency with respect to the disposal of residential property; and the Atomic Energy Commission.

(c) *Limitation on open-market purchases.*—This subsection amends section 3709 of the Revised Statutes as amended by raising from \$100 to \$500 the limit on the amount that can be expended in an open-market purchase without advertising or bidding.

(f) This subsection from the standpoint of management should become one of the important parts of the bill. The bill as written specifically repeals 28 statutes. There are several hundred more statutes which relate to the subject matter of this bill and this subsection requires the Administrator to thoroughly study these and report to the Congress those which are obsolete and should be repealed.

Section 503. Authorization for appropriations and transfer authority

(a) *Authorization for appropriations.*—This subsection authorizes appropriations generally without specification as to amount.

(b) *Transfer authority.*—Under this subsection an executive agency may use for care and handling of property funds heretofore appropriated to it for purposes contemplated by sections 201, 202, 203, and 204 of the act.

Section 504. Separability

Each provision of the act is declared separable so far as validity is concerned.

Section 505. Effective date

The effective date of the act is established as July 1, 1949, except that one clause relating to the War Assets Administration is made effective June 30.

APPENDIX A

STATEMENT OF AGREEMENT BETWEEN THE MUNITIONS BOARD, NATIONAL DEFENSE ESTABLISHMENT, AND THE BUREAU OF FEDERAL SUPPLY, DEPARTMENT OF THE TREASURY, ON PROCEDURES FOR THE DEVELOPMENT OF A UNIFORM FEDERAL CATALOG SYSTEM

The Munitions Board Cataloging Agency has embarked upon a comprehensive 3-year program to provide a uniform catalog system for all items of armed services supply. This program was initiated in recognition of the urgent military need for a common language for supply activities. The Bureau of Federal Supply has been active in the planning for a Federal catalog system in compliance with Presidential directives and its basic responsibility for the development and maintenance of the Federal Standard Stock Catalog. This planning was participated in by the Military Establishment and several of the larger civil establishments. There is now pending before the Congress a bill to reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes, which provides, among other things, for the transfer of the Bureau of Federal Supply to the Federal Works Agency and authorizes the Federal Works Administrator "As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense * * * to establish and maintain such uniform Federal supply catalog system to identify and classify personal property under the control of Federal agencies as may be appropriate * * *." Also

"each executive agency shall utilize such uniform Federal supply catalog system and standard purchase specifications as far as practicable, taking into consideration efficiency, economy, and other interests of the Government."

Pending action of the Congress on the above bill, it is recognized that the interests of the Federal Government can best be served through continuing close cooperation and working contacts between the cataloging activities of the civil and military establishments. To this end the following agreements have been reached between the Munitions Board and the Bureau of Federal Supply:

(1) That the present plans and procedures of the Munitions Board Cataloging Agency are satisfactory for initiating Federal catalog operations. It is understood that the agency is further developing the elements of cataloging in accordance with the basic principles developed under the sponsorship of the United States Standard Commodity Catalog Board;

(2) That certain revisions and expansions in plans and procedures must be made as work progresses to provide for the requirements of civilian agencies;

(3) That the question of classification will require close coordination with the civilian agencies and the Munition Board Cataloging Agency in order to develop a commodity supply classification system which will be practical and workable for all organizations;

(4) That any civilian agency having major supply problems should be represented on the Technical Group of the Munitions Board Cataloging Agency. The Bureau of Federal Supply will, with the concurrence of the Bureau of the Budget, develop recommendations to the Cataloging Agency as to the agencies which should be represented;

(5) That the Bureau of Federal Supply shall have one member and one alternate on the Executive Group of the Munitions Board Cataloging Agency, for representation of civilian agencies.

(6) That after completion of the current "3-year program" of the Munitions Board Cataloging Agency, the respective future responsibilities of the agency and the Bureau of Federal Supply would, in the absence of legislative direction, be determined by agreement between the Secretary of Defense and the Secretary of the Treasury;

(7) That the Bureau of Federal Supply will be responsible for such coordination as will assure that cataloging developments initiated by the Munitions Board Cataloging Agency are made available to interested civil establishments.

June 3, 1948.

(Signed) CLIFTON E. MACK,
Bureau of Federal Supply, Treasury Department.

May 14, 1948.

(Signed) Maj. Gen. PATRICK W. TIMBERLAKE,
Munitions Board.

THE WHITE HOUSE,
Washington, January 18, 1945.

Hon. HAROLD D. SMITH,
Director, Bureau of the Budget, Washington, D. C.

MY DEAR MR. SMITH: I think it important that the executive departments and agencies develop more systematic records and procedures for use in all transactions requiring a description of items of real and personal property. The large number of actions relating to the acquisition, care, use, and disposal of Federal property has greatly accentuated the need for this improvement in governmental practices, both for the effective prosecution of the war and for the more orderly conduct of peacetime affairs. Such records and procedures should be developed by the several departments and agencies chiefly concerned in accordance with a uniform central plan developed by you. This plan should include a uniform property classification and a uniform item identification system, covering all commodities, which together might be known as the United States standard commodity catalog.

Accordingly, it is my desire that you proceed without delay to secure the preparation and maintenance of such a catalog, utilizing all relevant systems and methods now in use by the Government to the extent that they conform with the central plan, and utilizing also the facilities and services of the agencies principally concerned. It is my wish, and I hereby request, that each department and agency shall assume such share of the work and responsibility as you may determine. Any necessary costs to the several departments and agencies beyond those they are now incurring for similar activities should be included in additional estimates of appropriations.

When the standard commodity catalog or any part of it is ready for use it should be promulgated by you for use throughout the Government in all relevant activities involving the procurement, storage, issue, disposal, or intra-Government transfer of property, the listing or cataloging of property, and the collection and tabulation of commodity information.

Pending the formalizing of these instructions in an Executive order, I wish you would convey to all departments and agencies my instructions regarding this matter and take whatever steps are necessary to develop and maintain the catalog.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, July 15, 1946.

Hon. PAUL H. APPLEBY,
Acting Director, Bureau of the Budget, Washington 25, D. C.

MY DEAR MR. APPLEBY: I have your memorandum with reference to the general plan for the development and maintenance of a Federal catalog system which would standardize for all agencies the classification and item numbering of property purchased by the Federal Government. I agree with you that the proposed unified system will result in significant improvements and economies in supply operations of the Government.

Pending further study of some features of the proposed plan, including the need for legislation and the budget that should be sought, I desire that further development of the Federal catalog system be continued through interdepartmental cooperation and joint working arrangements. I concur in your recommendation that the United States Standard Commodity Catalog Board, which has been advising you on this matter, should continue its work, under your general supervision. The Board should complete the development of all phases of the uniform plan and coordinate with this plan the cataloging activities of the agencies chiefly concerned.

I request that you arrange with the Secretary of the Treasury for the Procurement Division to organize a central staff to assist the Board in developing the details of the uniform system and in the work required for the coordination of agency cataloging activities with this system. I further request that you advise the Secretary of War and the Secretary of the Navy, together with the heads of such other departments and agencies as you may determine, of my desire that the cataloging operations of these agencies be continued and that they be conducted in conformity with the plans for the Federal catalog system. The services performed by the central staff established in the Procurement Division will thereby be utilized in the cataloging operations of these departments and agencies. Those departments and agencies utilizing such services should reimburse the Procurement Division therefor from their regular appropriations.

Sincerely yours,

HARRY S. TRUMAN.



S. 1809

[Report No. 338]

IN THE SENATE OF THE UNITED STATES

MAY 9 (legislative day, APRIL 11), 1949

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, reported the following bill; which was read twice and placed on the calendar.

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 That this Act may be cited as the “Federal Property
5 and Administrative Services Act of 1949”.

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

TITLE I—ORGANIZATION

Sec. 101. General Services Agency.

Sec.102. Transfer of Bureau of Federal Supply and contract settlement functions.

Sec. 103. Transfer of affairs of the Federal Works Agency.

Sec. 104. Transfer of the National Archives.

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 106. Redistribution of functions.
Sec. 107. Transfer of funds.
Sec. 108. Status of transferred employees.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
Sec. 202. Property utilization.
Sec. 203. Disposal of surplus property.
Sec. 204. Proceeds from transfer or disposition of property.
Sec. 205. Policies, regulations, and delegations.
Sec. 206. Surveys and standardization.
Sec. 207. Applicability of antitrust laws.
Sec. 208. Employment of personnel.
Sec. 209. Civil remedies and penalties.
Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
Sec. 302. Application and procurement methods.
Sec. 303. Advertising requirements.
Sec. 304. Requirements of negotiated contracts.
Sec. 305. Advance payments.
Sec. 306. Waiver of liquidated damages.
Sec. 307. Administrative determinations and delegations.
Sec. 308. Statutes continued in effect.
Sec. 309. Definitions.
Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
 Sec. 402. Methods and terms of disposal.
 Sec. 403. Proceeds; foreign currencies.
 Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of per-

sonal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term “Federal agency” means any executive agency or any establishment in the legislative or judicial branch of the Government.

(c) The term “Administrator” means the Administrator of General Services provided for in title I hereof.

(d) The term “property” means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories:

1 Battleships, cruisers, aircraft carriers, destroyers, and sub-
2 marines.

3 (e) The term "excess property" means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term "foreign excess property" means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term "surplus property" means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of the Federal Government, as deter-
14 mined by the Administrator.

15 (h) The term "care and handling" includes complet-
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling, con-
18 serving, and transporting excess and surplus property, and, in
19 the case of property which is dangerous to public health or
20 safety, destroying or rendering innocuous such property.

21 (i) The term "person" includes any corporation, part-
22 nership, firm, association, trust, estate, or other entity.

23 (j) The term "nonpersonal services" means such con-
24 tractual services, other than personal and professional
25 services, as the Administrator shall designate.

1 (k) The term “contractor inventory” means (1)
2 any property acquired by and in the possession of a con-
3 tractor or subcontractor under a contract pursuant to the
4 terms of which title is vested in the Government, and in
5 excess of the amounts needed to complete full performance
6 under the entire contract; and (2) any property which
7 the Government is obligated to take over under any type
8 of contract as a result either of any changes in the speci-
9 fications or plans thereunder or of the termination of such
10 contract (or subcontract thereunder), prior to completion
11 of the work, for the convenience or at the option of the
12 Government.

13 TITLE I—ORGANIZATION

14 GENERAL SERVICES AGENCY

15 SEC. 101. (a) There is hereby established an agency
16 in the executive branch of the Government which shall be
17 known as the General Services Agency.

18 (b) There shall be at the head of the General Services
19 Agency an Administrator of General Services who shall be
20 appointed by the President by and with the advice and
21 consent of the Senate, receive compensation at the rate of
22 \$ per annum, and perform his functions subject to
23 the direction and control of the President.

24 (c) There shall be in the General Services Agency a
25 Deputy Administrator of General Services who shall be

1 appointed by the Administrator of General Services and
2 receive compensation at the rate of \$ per annum.

3 The Deputy Administrator shall perform such functions
4 as the Administrator shall designate and shall be Acting
5 Administrator of General Services during the absence or
6 disability of the Administrator and, unless the President
7 shall designate another officer of the Government, in the
8 event of a vacancy in the office of Administrator.

9 (d) Pending the first appointment of the Administrator
10 under the provisions of this section, his functions shall be
11 performed temporarily by such officer of the Government
12 in office upon or immediately prior to the taking of effect
13 of the provisions of this Act as the President shall designate.

14 TRANSFER OF BUREAU OF FEDERAL SUPPLY

15 SEC. 102. (a) The Bureau of Federal Supply in the
16 Department of the Treasury and its functions, records, prop-
17 erty, personnel, obligations, and commitments, are hereby
18 transferred from the Department of the Treasury to the
19 General Services Agency, together with such additional
20 records, property, and personnel of the Department of the
21 Treasury as the Director of the Bureau of the Budget shall
22 determine to relate primarily to functions transferred by this
23 section or vested in the Administrator by titles II, III, and
24 V of this Act. There shall be at the head of the Bureau of
25 Federal Supply a Commissioner of Federal Supply, who shall

1 be appointed by the Administrator and who shall receive
2 compensation at the rate of \$ per annum. The
3 functions of (1) the Director of the Bureau of Federal
4 Supply, (2) the personnel of such Bureau, and (3) the
5 Secretary of the Treasury, relating to the Bureau of Federal
6 Supply, are hereby transferred to the Administrator.

7 (b) The functions of the Director of Contract Settle-
8 ment and of the Office of Contract Settlement, transferred
9 to the Secretary of the Treasury by Reorganization Plan
10 Numbered 1 of 1947, are transferred to the Administrator
11 and shall be performed by him or, subject to his direction
12 and control, by such officers and agencies of the General
13 Services Agency as he may designate. The Contract Set-
14 tlement Act Advisory Board created by section 5 of the
15 Contract Settlement Act of 1944 (58 Stat. 649) and the
16 Appeal Board established under section 13 (d) of that Act
17 are transferred from the Department of the Treasury to the
18 General Services Agency, but the functions of these Boards
19 shall be performed by them, respectively, under con-
20 ditions and limitations prescribed by law. There shall
21 also be transferred to the General Services Agency such
22 records, property, personnel, obligations, commitments, and
23 unexpended balances (available or to be made available)
24 of appropriations, allocations, and other funds of the Treas-
25 ury Department as the Director of the Bureau of the Budget

1 shall determine to relate primarily to the functions trans-
2 ferred by the provisions of this subsection.

3 (c) Any other provision of this section notwithstanding,
4 there may be retained in the Department of the Treasury
5 any function referred to in subsection (a) of this section
6 which the Director of the Bureau of the Budget shall, within
7 ten days after the effective date of this Act, determine to be
8 essential to the orderly administration of the affairs of the
9 agencies of such Department, other than the Bureau of Fed-
10 eral Supply, together with such records, property, personnel,
11 obligations, commitments, and unexpended balances of ap-
12 propriations, allocations, and other funds, available or to be
13 made available, of said Department, as said Director shall
14 determine.

15 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

16 SEC. 103. (a) There are hereby transferred to the
17 General Services Agency (1) the Public Buildings Admin-
18 istration, which shall hereafter be known as the Bureau of
19 Public Buildings, and its functions, records, property, per-
20 sonnel, obligations, and commitments, (2) the Public Roads
21 Administration, which shall hereafter be known as the
22 Bureau of Public Roads, and its functions, records, property,
23 personnel, obligations, and commitments, and (3) all other
24 functions, records, property, personnel, obligations, and
25 commitments of the Federal Works Agency. All functions

1 of the Federal Works Administrator, of the Commissioner of
 2 Public Buildings, and of the Commissioner of Public Roads
 3 are hereby transferred to the Administrator of General
 4 Services.

5 (b) There are hereby abolished the Federal Works
 6 Agency, the office of Federal Works Administrator, and the
 7 office of Assistant Federal Works Administrator.

8 (c) Without regard to the provisions of section 103 (b),
 9 the President may continue, for such duration as he shall
 10 determine, as a constituent agency of the General Services
 11 Agency, the heretofore existing Bureau of Community
 12 Facilities of the Federal Works Agency.

13 (d) The Commissioner of Public Buildings and the
 14 Commissioner of Public Roads shall hereafter each receive
 15 compensation at the rate of \$ per annum.

16 TRANSFER OF THE NATIONAL ARCHIVES

17 SEC. 104. (a) The National Archives Establishment
 18 and its functions, records, property, personnel, obligations,
 19 and commitments are hereby transferred to the General
 20 Services Agency. There are transferred to the Administra-
 21 tor (1) the functions of the Archivist of the United States,
 22 except his functions under the Act of July 7, 1943 (57 Stat.
 23 380, as amended), which excepted functions shall be per-
 24 formed by the Archivist subject to the direction and control

of the Administrator, and except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator and shall receive compensation at the rate of \$ per annum.

(b) There are also transferred to the General Services Agency the following bodies, together with their respective functions: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR

ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Admin-

1 istration are hereby transferred to the General Services
2 Agency. The functions of the War Assets Administrator
3 are hereby transferred to the Administrator of General
4 Services. The War Assets Administration, the office of
5 the War Assets Administrator, and the office of Associate
6 War Assets Administrator are hereby abolished. Personnel
7 now holding appointments granted under the second sentence
8 of section 5 (b) of the Surplus Property Act of 1944, as
9 amended, may be continued in such positions or may be
10 appointed to similar positions for such time as the Admin-
11 istrator may determine.

12 REDISTRIBUTION OF FUNCTIONS

13 SEC. 106. The Administrator is hereby authorized, in
14 his discretion, in order to provide for the effective accom-
15 plishment of the functions transferred to or vested in him
16 by this Act, and from time to time, to regroup, transfer,
17 and distribute any such functions within the General Services
18 Agency, and with the approval of the Director of the Bureau
19 of the Budget to make appropriate transfers of funds in
20 connection therewith.

21 TRANSFER OF FUNDS

22 SEC. 107. All unexpended balances of appropriations,
23 allocations, or other funds available or to be made available,
24 for the use of the Bureau of Federal Supply, the War Assets
25 Administration, the Federal Works Agency, and the Na-

1 tional Archives Establishment, and so much of the other
2 unexpended balances of appropriations, allocations, or other
3 funds of the Department of the Treasury, available or to be
4 made available, as the Director of the Bureau of the Budget
5 shall determine to relate primarily to functions transferred
6 to or vested in the Administrator by the provisions of this
7 Act, shall be transferred to the General Services Agency
8 for use in connection with the functions to which such bal-
9 ances relate, respectively.

10 STATUS OF TRANSFERRED EMPLOYEES

11 SEC. 108. Subject to other provisions of this title relating
12 to personnel, employees transferred by the provisions of this
13 title shall be deemed to be employees of the General Services
14 Agency, and their reappointment shall not be required by
15 reason of the enactment of this Act.

16 TITLE II—PROPERTY MANAGEMENT

17 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

18 SEC. 201. (a) The Administrator shall, in respect of
19 executive agencies, and to the extent that he determines
20 that so doing is advantageous to the Government in
21 terms of economy, efficiency, or service, and with due
22 regard to the program activities of the agencies concerned—

23 (1) prescribe policies and methods of procurement
24 and supply of personal property and nonpersonal serv-
25 ices, including related functions such as contracting,

1 inspection, storage, issue, property identification and
2 classification, transportation and traffic management,
3 management of public utility services, and repairing
4 and converting; and

5 (2) operate, and, after consultation with the execu-
6 tive agencies affected, consolidate, take over, or arrange
7 for the operation by any executive agency of ware-
8 houses, supply centers, repair shops, fuel yards, and
9 other similar facilities; and

10 (3) procure and supply personal property and
11 nonpersonal services for the use of executive agencies
12 in the proper discharge of their responsibilities, and
13 perform functions related to procurement and supply
14 such as those mentioned above in subparagraph (1) ; and

15 (4) with respect to transportation and other
16 public utility services for the use of executive agencies,
17 represent such agencies in negotiations with carriers
18 and other public utilities and in proceedings involving
19 carriers or other public utilities before Federal and
20 State regulatory bodies;

21 *Provided*, That the Secretary of Defense may from time
22 to time, unless the President shall otherwise direct, exempt
23 the National Military Establishment from action taken or
24 which may be taken by the Administrator under clauses (1) ,

1 (2), (3), and (4) above whenever he determines such
2 exemption to be in the best interests of national security.

3 (b) The Administrator shall as far as practicable provide
4 any of the services specified in subsection (a) of this section
5 to any other Federal agency, mixed ownership corporation
6 (as defined in the Government Corporation Control Act), or
7 the District of Columbia, upon its request.

8 (c) In acquiring personal property, any executive
9 agency, under regulations to be prescribed by the Adminis-
10 trator, may exchange or sell similar items (provided that
11 such items are exchanged as a general practice in trade chan-
12 nels), and may apply the exchange allowance or proceeds
13 of sale in such cases in whole or in part payment for the
14 property acquired: *Provided*, That any transaction carried
15 out under the authority of this subsection shall be evidenced
16 in writing.

17 PROPERTY UTILIZATION

18 SEC. 202. (a) In order to minimize expenditures for
19 property, the Administrator shall prescribe policies and
20 methods to promote the maximum utilization of excess prop-
21 erty by executive agencies, and he shall provide for the
22 transfer of excess property among Federal agencies.

23 (b) Each executive agency shall (1) maintain ade-
24 quate inventory controls and accountability systems for the
25 property under its control, (2) continuously survey prop-

erty under its control to determine which is excess property,
and promptly report such property to the Administrator,
(3) perform the care and handling of such excess property,
and (4) transfer or dispose of such property as promptly
as possible in accordance with authority delegated and
regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable,
(1) make reassignments of property among activities within
the agency when such property is determined to be no longer
required for the purposes of the appropriation from which
it was purchased, (2) transfer excess property under its
control to other Federal agencies, and (3) obtain excess
property from other Federal agencies.

(d) Under existing provisions of law and procedures
defined by the Secretary of Defense, and without regard to
the requirements of this section except subsection (f), ex-
cess property of one of the departments of the National Mili-
tary Establishment may be transferred to another department
thereof.

(e) Transfers of excess property between Federal agen-
cies (except transfers for redistribution to other Federal
agencies or for disposal as surplus property) shall be at the
fair value thereof, as determined by, or pursuant to regula-
tions of, the Administrator, unless such transfer is other-
wise authorized by any law approved subsequent to June

1 21. 1944, to be without reimbursement or transfer
2 of funds.

3 (f) The Director of the Bureau of the Budget shall
4 prescribe regulations providing for the reporting to said
5 Director by executive agencies of such reassignments or
6 transfers of property between activities financed by different
7 appropriations as he shall deem appropriate, and the re-
8 assignments and transfers so reported shall be reported to
9 the Congress in the annual budget or otherwise as said
10 Director may determine.

11 (g) Whenever the Administrator determines that the
12 temporary assignment or reassignment of any space in
13 excess real property to any Federal agency for office, stor-
14 age, or related facilities would be more advantageous than
15 the permanent transfer of such property, he may make such
16 assignment or reassignment for such period of time as he
17 shall determine and obtain, in the absence of appropriation
18 available to him therefor, appropriate reimbursement from
19 the using agency for the expense of maintaining such space.

20 (h) The Administrator may authorize the abandonment,
21 destruction, or donation to public bodies of property which
22 has no commercial value or of which the estimated cost of
23 continued care and handling would exceed the estimated
24 proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Agency or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument

1 executed by or on behalf of any executive agency purporting
2 to transfer title or any other interest in property under this
3 title shall be conclusive evidence of compliance with the
4 provisions of this title insofar as concerns title or other
5 interest of any bona fide grantee or transferee for value
6 and without notice of lack of such compliance.

7 (e) Unless the Administrator shall determine that dis-
8 posal by advertising will in a given case better protect the
9 public interest, surplus property disposals may be made with-
10 out regard to any provision of existing law for advertising
11 until 12 o'clock noon, eastern standard time, December 31,
12 1950.

13 (f) Subject to regulations of the Administrator, any
14 executive agency may authorize any contractor with such
15 agency or subcontractor thereunder to retain or dispose of
16 any contractor inventory.

17 (g) The Administrator, in formulating policies with
18 respect to the disposal of surplus agricultural commodities,
19 surplus foods processed from agricultural commodities, and
20 surplus cotton or woolen goods, shall consult with the Sec-
21 retary of Agriculture. Such policies shall be so formulated
22 as to prevent surplus agricultural commodities, or surplus
23 food processed from agricultural commodities, from being
24 dumped on the market in a disorderly manner and dis-
25 rupting the market prices for agricultural commodities.

1 (h) Whenever the Secretary of Agriculture determines
2 such action to be required to assist him in carrying out his
3 responsibilities with respect to price support or stabilization,
4 the Administrator shall transfer without charge to the De-
5 partment of Agriculture any surplus agricultural commod-
6 ities, foods, or cotton or woolen goods to be disposed of.
7 Receipts resulting from disposal by the Department of
8 Agriculture under this subsection shall be deposited pursuant
9 to any authority available to the Secretary of Agriculture,
10 except that net proceeds of any sale of surplus property
11 so transferred shall be credited pursuant to section 204 (b),
12 when applicable. Surplus farm commodities so transferred
13 shall not be sold, other than for export, in quantities in
14 excess of, or at prices less than, those applicable with respect
15 to sales of such commodities by the Commodity Credit
16 Corporation.

17 (i) The United States Maritime Commission shall dis-
18 pose of surplus vessels of one thousand five hundred gross
19 tons or more which the Commission determines to be mer-
20 chant vessels or capable of conversion to merchant use, and
21 such vessels shall be disposed of only in accordance with the
22 provisions of the Merchant Marine Act, 1936, as amended,
23 and other laws authorizing the sale of such vessels.

24 (j) (1) Under such regulations as he may prescribe,
25 the Administrator is authorized in his discretion to donate

1 for educational purposes in the States, Territories, and pos-
2 sessions without cost (except for costs of care and handling)
3 such equipment, materials, books, or other supplies under
4 the control of any executive agency as shall have been
5 determined to be surplus property and which shall have
6 been determined under paragraph 2 or paragraph 3 of this
7 subsection to be usable for educational purposes.

8 (2) Determination whether such property (except sur-
9 plus property donated in conformity with paragraph 3 of this
10 subsection) is usable and necessary for educational purposes
11 shall be made by the Federal Security Administrator, who
12 shall allocate such property on the basis of needs and utiliza-
13 tion for transfer by the Administrator of General Services to
14 tax-supported school systems, schools, colleges, and univer-
15 sities, and to other nonprofit schools, colleges, and uni-
16 versities which have been held exempt from taxation under
17 section 101 (6) of the Internal Revenue Code, or to State
18 departments of education for distribution to such tax-
19 supported and nonprofit school systems, schools, colleges,
20 and universities; except that in any State where another
21 agency is designated by State law for such purpose such
22 transfer shall be made to said agency for such distribution
23 within the State.

24 (3) In the case of surplus property under the control of
25 the National Military Establishment, the Secretary of Defense

1 shall determine whether such property is usable and neces-
2 sary for educational activities that are of special interest to
3 the armed services, such as maritime academies or military,
4 naval, Air Force, or Coast Guard preparatory schools. If
5 such Secretary shall determine that such property is usable
6 and necessary for such purposes, he shall allocate it for
7 transfer by the Administrator to such educational activities.
8 If he shall determine that such property is not usable and
9 necessary for such purposes, it may be disposed of in accord-
10 ance with paragraph 2 of this subsection.

11 (k) Subject to the disapproval of the Administrator
12 within thirty days after the proposal of any action to be
13 taken under this subsection—

14 (1) the United States Commissioner of Education,
15 in the case of property transferred pursuant to the Sur-
16 plus Property Act of 1944, as amended, to States,
17 political subdivisions and instrumentalities thereof, and
18 tax-supported and other nonprofit educational insti-
19 tutions for school, classroom, or other educational use;

20 (2) the Surgeon General of the United States, in the
21 case of property transferred pursuant to the Surplus
22 Property Act of 1944, as amended, to States, political
23 subdivisions and instrumentalities thereof, tax-supported
24 medical institutions, and to hospitals and other similar

institutions not operated for profit, for use in the protection of public health (including research) ;

(3) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public ; or

(4) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

is authorized—

(A) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made ;

(B) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law ; and

(C) to (i) grant releases from any of the terms,

1 conditions, reservations, and restrictions contained in,
2 and (ii) convey, quitclaim, or release any right or
3 interest reserved to the United States by, any instru-
4 ment by which such transfer was made, if he deter-
5 mines that the property so transferred no longer serves
6 the purpose for which it was transferred, and that such
7 release, conveyance, or quitclaim deed will not prevent
8 accomplishment of the purpose for which such prop-
9 erty was so transferred: *Provided*, That any such re-
10 lease, conveyance, or quitclaim deed may be granted
11 on, or made subject to, such terms and conditions as
12 he shall deem necessary to protect or advance the
13 interests of the United States.

14 (1) The Administrator is authorized to take possession
15 of abandoned and other unclaimed property on premises
16 owned or leased by the Government, to determine when
17 title thereto vested in the United States, and to utilize,
18 transfer or otherwise dispose of such property. Former
19 owners of such property upon proper claim filed within three
20 years from the date of vesting of title in the United States
21 shall be paid the proceeds realized from the disposition of
22 such property or, if the property is used or transferred, the
23 fair value therefor as of the time title was vested in the
24 United States as determined by the Administrator, less in

1 either case the costs incident to the care and handling of
2 such property as determined by the Administrator.

3 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

4 SEC. 204. (a) All proceeds under this title from any
5 transfer of excess property to a Federal agency for its use,
6 or from any sale, lease, or other disposition of surplus prop-
7 erty, shall be covered into the Treasury as miscellaneous
8 receipts, except as provided in subsections (b), (c), and (d)
9 of this section.

10 (b) Where the property transferred or disposed of was
11 acquired by the use of funds either not appropriated from
12 the general fund of the Treasury or appropriated therefrom
13 but by law reimbursable from assessment, tax, or other rev-
14 enue or receipts, then the net proceeds of the disposition or
15 transfer shall be credited to the reimbursable fund or ap-
16 propriation or paid to the Federal agency which determined
17 such property to be excess: *Provided*, That the proceeds
18 shall be credited to miscellaneous receipts in any case when
19 the agency which determined the property to be excess shall
20 deem it uneconomical or impractical to ascertain the amount
21 of net proceeds. As used in this subsection, the term "net
22 proceeds of the disposition or transfer" means the proceeds
23 of the disposition or transfer minus all expenses incurred
24 for care and handling and disposition or transfer.

25 (c) Any Federal agency disposing of surplus property

1 under this title (1) may deposit, in a special account with
2 the Treasurer of the United States, such amount of the
3 proceeds of such dispositions as it deems necessary to permit
4 appropriate refunds to purchasers when any disposition is
5 rescinded or does not become final, or payments for breach
6 of any warranty, and (2) may withdraw therefrom amounts
7 so to be refunded or paid, without regard to the origin of
8 the funds withdrawn.

9 (d) Where any contract entered into by an executive,
10 agency or any subcontract under such contract authorizes
11 the proceeds of any sale of property in the custody of the
12 contractor or subcontractor to be credited to the price or
13 cost of the work covered by such contract or subcontract,
14 the proceeds of any such sale shall be credited in accordance
15 with the contract or subcontract.

16 (e) Where any mortgage, lien, or other interest as
17 security is retained in connection with any disposition of
18 surplus property under this title, the Administrator shall
19 preserve and manage such security and may enforce and
20 settle any right of the Government with respect thereto in
21 such manner and upon such terms as he deems in the best
22 interest of the Government.

23 POLICIES, REGULATIONS, AND DELEGATIONS

24 SEC. 205. (a) The President may prescribe such poli-

1 cies and directives, not inconsistent with the provisions of
2 this Act, as he shall deem necessary to effectuate the provi-
3 sions of this Act, which policies and directives shall govern
4 the Administrator and executive agencies in carrying out
5 their respective functions hereunder.

6 (b) The Comptroller General shall prescribe principles
7 and standards of accounting for property, after considering
8 the needs and requirements of the executive agencies, coop-
9 erate with the Administrator and with the executive agencies
10 in the development of property accounting systems, and ap-
11 prove such systems when deemed to be adequate and in con-
12 formity with prescribed principles and standards. From time
13 to time the General Accounting Office shall examine such
14 property accounting systems as are established by the ex-
15 ecutive agencies to determine the extent of compliance with
16 prescribed principles and standards and approved systems,
17 and the Comptroller General shall report to the Congress any
18 failure to comply with such principles and standards or to
19 adequately account for property.

20 (c) The Administrator shall prescribe such regulations
21 as he deems necessary to effectuate his functions under
22 this Act, and the head of each Federal agency shall cause
23 to be issued such orders and directives as such head deems
24 necessary to carry out such regulations.

25 (d) The Administrator is authorized to delegate and

1 to authorize successive redelegation of any authority trans-
2 ferred to or vested in him by this Act (except for the
3 authority to issue regulations on matters of policy having
4 application to executive agencies, the authority contained
5 in section 106, and except as otherwise provided in this
6 Act) to any official in the General Services Agency or to
7 the head of any other Federal agency.

8 (e) With respect to any function transferred to or
9 vested in the General Services Agency or the Administrator
10 by this Act, the Administrator may (1) direct the under-
11 taking of its performance by the General Services Agency
12 or by any constituent organization therein which he may
13 designate or establish; or (2) designate and authorize any
14 executive agency to perform such function for itself; or (3)
15 designate and authorize any other executive agency to per-
16 form such function; or (4) provide for such performance
17 by any combination of the foregoing methods. Any desig-
18 nation or assignment of functions or delegation of authority
19 to another executive agency under this section shall be
20 made only with the consent of the executive agency con-
21 cerned or upon direction of the President.

22 (f) When any executive agency (including the
23 General Services Agency and constituent organizations there-
24 of) is authorized and directed by the Administrator to carry
25 out any function under this Act, the Administrator may,

1 with the approval of the Director of the Bureau of the
2 Budget, provide for the transfer of appropriate personnel,
3 records, property, and allocated funds of the General Services
4 Agency, or of such other executive agency as has theretofore
5 carried out such function, to the executive agency so author-
6 ized and directed.

7 (g) The Administrator may establish advisory com-
8 mittees to advise with him with respect to any function trans-
9 ferred to or vested in the Administrator by this Act. The
10 members thereof shall serve without compensation but
11 shall be entitled to transportation and not to exceed \$25
12 per diem in lieu of subsistence, as authorized by section 5
13 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
14 persons so serving.

15 (h) The Administrator shall advise and consult with
16 interested Federal agencies with a view to obtaining their
17 advice and assistance in carrying out the purposes of this
18 title.

19 SURVEYS AND STANDARDIZATION

20 SEC. 206. (a) As he may deem necessary for the effec-
21 tuation of his functions under this title, and after adequate
22 advance notice to the agencies affected, and with due regard
23 to the requirements of the National Military Establishment
24 as determined by the Secretary of Defense, the Adminis-
25 trator is authorized (1) to make surveys of Government

1 property and property management practices and obtain
2 reports thereon from Federal agencies; (2) to cooperate
3 with executive agencies in the establishment of reasonable
4 inventory levels for property stocked by them and from time
5 to time report any excessive stocking to the Congress and
6 to the Director of the Bureau of the Budget; (3) to estab-
7 lish and maintain such uniform Federal supply catalog system
8 as may be appropriate to identify and classify personal prop-
9 erty under the control of Federal agencies: *Provided*, That
10 the Administrator shall coordinate his activities hereunder
11 with the cataloging activities of the National Military Estab-
12 lishment so as to avoid unnecessary duplication; and (4) to
13 prescribe standardized forms and procedures, except such
14 as the Comptroller General is authorized by law to prescribe,
15 and standard purchase specifications.

16 (b) Each executive agency shall utilize such uniform
17 Federal supply catalog system and standard purchase speci-
18 fications as far as practicable, taking into consideration
19 efficiency, economy, and other interests of the Government.

20 (c) The General Accounting Office shall audit all types
21 of property accounts and transactions at such times and in
22 such manner as determined by the Comptroller General.
23 Such audit shall be conducted as far as practicable at the
24 place or places where the property or records of the execu-
25 tive agencies are kept and shall include but not necessarily

1 be limited to an evaluation of the effectiveness of internal
2 controls and audits, and a general audit of the discharge of
3 accountability for Government-owned or controlled property
4 based upon generally accepted principles of auditing.

5 APPLICABILITY OF ANTITRUST LAWS

6 SEC. 207. Whenever any executive agency shall begin
7 negotiations for the disposition to private interests of a plant
8 or plants, or other property, which cost the Government
9 \$1,000,000 or more, or of patents, processes, techniques, or
10 inventions, irrespective of cost, the executive agency shall
11 promptly notify the Attorney General of the proposed dis-
12 posal and the probable terms or conditions thereof. Within
13 a reasonable time, in no event to exceed thirty days after
14 receiving such notification, the Attorney General shall advise
15 the Administrator and the interested executive agency
16 whether, insofar as he can determine, the proposed disposition
17 would tend to create or maintain a situation inconsistent with
18 the antitrust laws. Upon the request of the Attorney
19 General, the Administrator or interested executive agency
20 shall furnish or cause to be furnished such information as it
21 may possess which the Attorney General determines to be
22 appropriate or necessary to enable him to give the advice
23 called for by this section or to determine whether any other
24 disposition or proposed disposition of surplus property
25 violates the antitrust laws. Nothing in this Act shall impair,

1 amend, or modify the antitrust laws or limit and prevent their
2 application to persons who buy or otherwise acquire property
3 under the provisions of this Act. As used in this section, the
4 term "antitrust laws" includes the Act of July 2, 1890 (26
5 Stat. 209, as amended) ; the Act of October 15, 1914 (38
6 Stat. 730, as amended) ; the Federal Trade Commission
7 Act (38 Stat. 717, as amended) ; and sections 73 and 74 of
8 the Act of August 27, 1894 (28 Stat. 570, as amended).

9 EMPLOYMENT OF PERSONNEL

10 SEC. 208. (a) The Administrator is authorized, subject
11 to the civil-service and classification laws, to appoint and fix
12 the compensation of such personnel as may be necessary
13 to carry out the provisions of title I, II, III, and V of this
14 Act.

15 (b) To such extent as he finds necessary to carry out
16 the provisions of titles I, II, III, and V of this Act, the Ad-
17 ministrator is hereby authorized to procure the temporary
18 (not in excess of one year) or intermittent services of experts
19 or consultants or organizations thereof, including stenographic
20 reporting services, by contract or appointment, and in such
21 cases such service shall be without regard to the civil-service
22 and classification laws, and, except in the case of stenographic
23 reporting services by organizations, without regard to section
24 3709, Revised Statutes, as amended (41 U. S. C. 5).

25 (c) Notwithstanding the provisions of section 1222 of

1 the Revised Statutes (10 U. S. C. 576) or of any other
2 provision of law, the Administrator in carrying out the
3 functions imposed upon him by this Act is authorized to
4 utilize in his agency the services of officials, officers, and
5 other personnel in other executive agencies, including per-
6 sonnel of the armed services, with the consent of the head of
7 the agency concerned.

8 CIVIL REMEDIES AND PENALTIES

9 SEC. 209. (a) Where any property is transferred or
10 disposed of in accordance with this Act and any regulations
11 prescribed hereunder, no officer or employee of the Govern-
12 ment shall (1) be liable with respect to such transfer or
13 disposition except for his own fraud, or (2) be accountable
14 for the collection of any purchase price for such property
15 which is determined to be uncollectible by the Federal agency
16 responsible therefor.

17 (b) Every person who shall use or engage in, or cause
18 to be used or engaged in, or enter into an agreement, com-
19 bination, or conspiracy to use or engage in or to cause to
20 be used or engaged in, any fraudulent trick, scheme, or
21 device, for the purpose of securing or obtaining, or aiding to
22 secure or obtain, for any person any payment, property, or
23 other benefits from the United States or any Federal agency
24 in connection with the procurement, transfer, or disposition
25 of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have

1 full power and jurisdiction to hear, try, and determine such
2 suit.

3 (d) The civil remedies provided in this section shall
4 be in addition to all other criminal penalties and civil
5 remedies provided by law.

6 REPORTS TO CONGRESS

7 SEC. 210. The Administrator shall submit a report to
8 the Congress, in January of each year and at such
9 other times as he may deem it desirable, regarding the ad-
10 ministration of his functions under this Act, together with
11 such recommendations for amendments to this Act as
12 he may deem appropriate as the result of the administration
13 of this Act.

14 TITLE III—PROCUREMENT PROCEDURE

15 DECLARATION OF PURPOSE

16 SEC. 301. The purpose of this title is to facilitate the
17 procurement of supplies and services.

18 APPLICATION AND PROCUREMENT METHODS

19 SEC. 302. (a) The provisions of this title shall be ap-
20 plicable to purchases and contracts for supplies or services
21 made—

22 (1) by the General Services Agency for the use
23 of such agency or otherwise; and

24 (2) by any other executive agency (except any
25 agency named in section 2 (a) of the Armed Services

1 Procurement Act of 1947), to the extent of and in con-
2 formity with authority delegated by the Administrator
3 pursuant to the provisions of this subsection.

4 The Administrator may delegate to the head of any other
5 such agency authority to make purchases and contracts for
6 supplies or services pursuant to the provisions of this title
7 (A) for the use of two or more executive agencies or (B)
8 in other cases upon a determination by the Administrator
9 that by reason of circumstances set forth in such determina-
10 tion such delegation is advantageous to the Government in
11 terms of economy, efficiency, or national security. Notice
12 of every such delegation of authority so made shall be fur-
13 nished to the General Accounting Office.

14 (b) It is the declared policy of the Congress that a fair
15 proportion of the total purchases and contracts for supplies
16 and services for the Government shall be placed with small-
17 business concerns. Whenever it is proposed to make a
18 contract or purchase in excess of \$10,000 by negotiation
19 and without advertising, pursuant to the authority of para-
20 graph (7) or (8) of section 302 (c) of this title, suitable
21 advance publicity, as determined by the agency head with
22 due regard to the type of supplies involved and other rel-
23 evant considerations, shall be given for a period of at least
24 fifteen days, wherever practicable, as determined by the
25 agency head.

1 (c) All purchases and contracts for supplies and serv-
2 ices shall be made by advertising, as provided in section 303,
3 except that such purchases and contracts may be negotiated
4 by the agency head without advertising if—

5 (1) determined to be necessary in the public
6 interest during the period of a national emergency
7 declared by the President or by the Congress;

8 (2) the public exigency will not admit of the delay
9 incident to advertising;

10 (3) the aggregate amount involved does not exceed
11 \$1,000: *Provided*, That no agency other than the
12 General Services Agency shall make any purchase of,
13 or contract for, supplies or services in excess of \$500
14 under this paragraph except in the exercise of authority
15 conferred by the Administrator to procure and furnish
16 supplies and services for the use of two or more executive
17 agencies;

18 (4) for personal or professional services;

19 (5) for any service to be rendered by any univer-
20 sity, college, or other educational institution;

21 (6) the supplies or services are to be procured and
22 used outside the limits of the United States and its
23 possessions;

24 (7) for medicines or medical supplies;

25 (8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment

1 and interchangeability of parts and that such standard-
2 ization and interchangeability is necessary in the public
3 interest;

4 (13) for supplies or services as to which the agency
5 head determines that bid prices after advertising there-
6 for are not reasonable (either as to all or as to some part
7 of the requirements) or have not been independently
8 arrived at in open competition: *Provided*, That no
9 negotiated purchase or contract may be entered into
10 under this paragraph after the rejection of all or some
11 of the bids received unless (A) notification of the inten-
12 tion to negotiate and reasonable opportunity to negotiate
13 shall have been given by the agency head to each re-
14 sponsible bidder and (B) the negotiated price is the
15 lowest negotiated price offered by any responsible
16 supplier; or

17 (14) otherwise authorized by law.

18 (d) If in the opinion of the agency head bids received
19 after advertising evidence any violation of the antitrust laws
20 he shall refer such bids to the Attorney General for appro-
21 priate action.

22 (e) This section shall not be construed to (A) authorize
23 the erection, repair, or furnishing of any public building or
24 public improvement, but such authorization shall be required
25 in the same manner as heretofore, or (B) permit any con-

1 tract for the construction or repair of buildings, roads, side-
2 walks, sewers, mains, or similar items to be negotiated with-
3 out advertising as required by section 303, unless such con-
4 tract is to be performed outside the continental United States
5 or unless negotiation of such contract is authorized by the
6 provisions of paragraph (1), (2), (3), (9), (10), (11),
7 or (13) of subsection (c) of this section.

8 ADVERTISING REQUIREMENTS

9 SEC. 303. Whenever advertising is required—

10 (a) The advertisement for bids shall be made a sufficient
11 time previous to the purchase or contract, and specifications
12 and invitations for bids shall permit such full and free com-
13 petition as is consistent with the procurement of types of
14 supplies and services necessary to meet the requirements of
15 the agency concerned.

16 (b) All bids shall be publicly opened at the time and
17 place stated in the advertisement. Award shall be made with
18 reasonable promptness by written notice to that responsible
19 bidder whose bid, conforming to the invitation for bids, will
20 be most advantageous to the Government, price and other
21 factors considered: *Provided*, That all bids may be rejected
22 when the agency head determines that it is in the public
23 interest so to do.

24 REQUIREMENTS OF NEGOTIATED CONTRACTS

25 SEC. 304. (a) Except as provided in subsection (b)

1 of this section, contracts negotiated pursuant to section 302
2 (c) may be of any type which in the opinion of the agency
3 head will promote the best interests of the Government.
4 Every contract negotiated pursuant to section 302 (c) shall
5 contain a suitable warranty, as determined by the agency
6 head, by the contractor that no person or selling agency
7 has been employed or retained to solicit or secure such
8 contract upon an agreement or understanding for a commis-
9 sion, percentage, brokerage, or contingent fee, excepting
10 bona fide employees or bona fide established commercial or
11 selling agencies maintained by the contractor for the pur-
12 pose of securing business, for the breach or violation of
13 which warranty the Government shall have the right to
14 annul such contract without liability or in its discretion to
15 deduct from the contract price or consideration the full
16 amount of such commission, percentage, brokerage, or
17 contingent fee.

18 (b) The cost-plus-a-percentage-of-cost system of con-
19 tracting shall not be used, and in the case of a cost-plus-a-
20 fixed-fee contract the fee shall not exceed 10 per centum
21 of the estimated cost of the contract, exclusive of the fee,
22 as determined by the agency head at the time of entering
23 into such contract (except that a fee not in excess of 15
24 per centum of such estimated cost is authorized in any
25 such contract for experimental, developmental, or research

1 work and that a fee inclusive of the contractor's costs and
2 not in excess of 6 per centum of the estimated cost, exclu-
3 sive of fees, as determined by the agency head at the time
4 of entering into the contract, of the project to which such
5 fee is applicable is authorized in contracts for architectural
6 or engineering services relating to any public works or
7 utility project). Neither a cost nor a cost-plus-a-fixed-fee
8 contract nor an incentive-type contract shall be used unless
9 the agency head determines that such method of contract-
10 ing is likely to be less costly than other methods or that
11 it is impractical to secure supplies or services of the kind
12 or quality required without the use of a cost or cost-plus-
13 a-fixed-fee contract or an incentive-type contract. All cost
14 and cost-plus-a-fixed-fee contracts shall provide for advance
15 notification by the contractor to the procuring agency of
16 any subcontract thereunder on a cost-plus-a-fixed-fee basis
17 and of any fixed-price subcontract or purchase order which
18 exceeds in dollar amount either \$25,000 or 5 per centum
19 of the total estimated cost of the prime contract; and a
20 procuring agency, through any authorized representative
21 thereof, shall have the right to inspect the plans and to audit
22 the books and records of any prime contractor or subcon-
23 tractor engaged in the performance of a cost or cost-plus-a-
24 fixed-fee contract.

ADVANCE PAYMENTS

1 SEC. 305. (a) The agency head may make advance
2 payments under negotiated contracts heretofore or hereafter
3 executed in any amount not exceeding the contract price
4 upon such terms as the parties shall agree: *Provided*, That
5 advance payments shall be made only upon adequate security
6 and if the agency head determines that provision for such
7 advance payments is in the public interest or in the interest
8 of the national defense and is necessary and appropriate in
9 order to procure required supplies or services under the
10 contract.

11 (b) The terms governing advance payments may in-
12 clude as security provision for, and upon inclusion of such
13 provision there shall thereby be created, a lien in favor of
14 the Government, paramount to all other liens, upon the
15 supplies contracted for, upon the credit balance in any special
16 account in which such payments may be deposited and upon
17 such of the material and other property acquired for perform-
18 ance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

19 SEC. 306. Whenever any contract made on behalf of
20 the Government by the agency head or by officers authorized
21 by him so to do includes a provision for liquidated damages
22 for delay, the Comptroller General on the recommendation
23 of the agency head is authorized and empowered to remit
24
25

1 the whole or any part of such damages as in his discretion
2 may be just and equitable.

3 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

4 SEC. 307. (a) The determinations and decisions pro-
5 vided in this title to be made by the Administrator or other
6 agency head may be made with respect to individual pur-
7 chases and contracts or with respect to classes of purchases
8 or contracts, and shall be final. Except as provided in sub-
9 section (b) of this section, the agency head is authorized
10 to delegate his powers provided by this title, including the
11 making of such determinations and decisions, in his discre-
12 tion and subject to his direction, to any other officer or
13 officers or officials of the agency.

14 (b) The power of the agency head to make the deter-
15 minations or decisions specified in paragraphs (11) and
16 (12) of section 302 (c) and in section 305 (a) shall not
17 be delegable, and the power to make the determinations
18 or decisions specified in paragraph (10) of section 302 (c)
19 shall be delegable only to a chief officer responsible for
20 procurement and only with respect to contracts which will
21 not require the expenditure of more than \$25,000. The
22 power of the Administrator to make the delegations and
23 determinations specified in section 302 (a) shall be delegable
24 only to the Deputy Administrator of the General Services

1 Agency or to the chief official of any principal constituent
2 agency of the General Services Agency.

3 (c) Each determination or decision required by para-
4 graphs (10), (11), (12), or (13) of section 302 (c), by
5 section 304 or by section 305 (a) shall be based upon
6 written findings made by the official making such deter-
7 mination, which findings shall be final and shall be available
8 within the agency for a period of at least six years following
9 the date of the determination. A copy of the findings shall
10 be submitted to the General Accounting Office with the
11 contract.

12 (d) In any case where any purchase or contract is
13 negotiated pursuant to the provisions of section 302 (c),
14 except in a case covered by paragraphs (2), (3), (4),
15 (5), or (6) thereof, the data with respect to the negotiation
16 shall be preserved in the files of the agency for a period of
17 six years following final payment on such contract.

18 STATUTES CONTINUED IN EFFECT

19 SEC. 308. No purchase or contract shall be exempt
20 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
21 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
22 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
23 solely by reason of having been entered into pursuant to sec-
24 tion 302 (c) hereof without advertising, and the provisions
25 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,

1 as amended; 40 U. S. C. 324 and 325a), if otherwise
2 applicable, shall apply to such purchases and contracts.

3 DEFINITIONS

4 SEC. 309. As used in this title—

5 (a) The term “agency head” shall mean the head or
6 any assistant head of any executive agency, and may at the
7 option of the Administrator include the chief official of any
8 principal constituent agency of the General Services Agency.

9 (b) The term “supplies” shall mean all property except
10 land, and shall include, by way of description and without
11 limitation, public works, buildings, facilities, ships, floating
12 equipment, and vessels of every character, type and descrip-
13 tion, aircraft, parts, accessories, equipment, machine tools
14 and alteration or installation thereof.

15 STATUTES NOT APPLICABLE

16 SEC. 310. The following provisions of law shall not
17 apply to the procurement of supplies or services (1) by
18 the General Services Agency, or (2) within the scope of
19 authority delegated by the Administrator to any other
20 executive agency:

21 Revised Statutes, section 3709, as amended (41 U. S. C.
22 5) ;

23 Revised Statutes, section 3735 (41 U. S. C. 13) ;

24 Sections 1 and 2 of the Act of October 10, 1940 (54
25 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

1 TITLE IV—FOREIGN EXCESS PROPERTY

2 DISPOSAL OF FOREIGN EXCESS PROPERTY

3 SEC. 401. Each executive agency having foreign excess
4 property shall be responsible for the disposal thereof: *Pro-*
5 *vided*, That (a) the head of each such executive agency
6 shall, with respect to the disposition of such property, con-
7 form to the foreign policy of the United States; (b) the
8 Secretary of State shall have the authority to use foreign
9 currencies and credits acquired by the United States under
10 section 402 (b) of this Act in order to effectuate the pur-
11 poses of section 32 (b) (2) of the Surplus Property Act
12 of 1944, as amended, and the Foreign Service Buildings
13 Act of May 7, 1926, as amended (including Public Law
14 547, Seventy-ninth Congress (60 Stat. 663)), and for
15 the purpose of paying any other governmental expenses pay-
16 able in local currencies, and the authority to amend, modify,
17 and renew agreements in effect on the effective date of
18 this Act; (c) any foreign currencies or credits acquired
19 by the Department of State pursuant to such agreements
20 shall be administered in accordance with procedures that
21 may from time to time be established by the Secretary of
22 the Treasury and, if and when reduced to United States
23 currency, shall be covered into the Treasury as miscellaneous
24 receipts; and (d) the Department of State shall, except to
25 such extent as the President shall otherwise determine, con-

1 tinue to perform other functions with respect to agreements
2 for the disposal of foreign excess property in effect on the
3 effective date of this Act.

4 METHODS AND TERMS OF DISPOSAL

5 SEC. 402. Foreign excess property may be disposed of
6 (a) by sale, exchange, lease, or transfer, for cash, credit,
7 or other property, with or without warranty, and upon such
8 other terms and conditions as the head of the executive
9 agency concerned deems proper; but in no event shall any
10 agricultural commodity, food, or cotton or woolen goods be
11 sold without a condition forbidding their importation into
12 the United States, unless the Secretary of Agriculture deter-
13 mines that such property is in short supply in this country,
14 or (b) for foreign currencies or credits, or substantial bene-
15 fits or the discharge of claims resulting from the compromise
16 or settlement of such claims by any executive agency in
17 accordance with the law, whenever the head of the execu-
18 tive agency concerned determines that it is in the interest
19 of the United States to do so. Such property may be dis-
20 posed of without advertising when the head of the executive
21 agency concerned finds so doing to be most practicable and
22 to be advantageous to the Government. The head of each
23 executive agency responsible for the disposal of foreign
24 excess property may execute such documents for the transfer
25 of title or other interest in property and take such other

1 action as he deems necessary or proper to dispose of such
2 property; and may authorize the abandonment, destruction,
3 or donation of foreign excess property under his control
4 which has no commercial value or the estimated cost of
5 care and handling of which would exceed the estimated
6 proceeds from its sale.

7 PROCEEDS, FOREIGN CURRENCIES

8 SEC. 403. Proceeds from the sale, lease, or other dis-
9 position of foreign excess property, (a) shall, if in the
10 form of foreign currencies or credits, be administered in ac-
11 cordance with procedures that may from time to time be
12 established by the Secretary of the Treasury, and (b) shall,
13 if in United States currency, or when any proceeds in foreign
14 currencies or credits shall be reduced to United States cur-
15 rency, be covered into the Treasury as miscellaneous re-
16 ceipts: *Provided*, That the provisions of section 204 (b)
17 (which by their terms apply to property disposed of under
18 title II) shall be applicable to proceeds of foreign excess
19 property disposed of for United States currency under this
20 title IV: *And provided further*, That any executive agency
21 disposing of foreign excess property under this title (1) may
22 deposit, in a special account with the Treasurer of the United
23 States, such amount of the proceeds of such dispositions
24 as it deems necessary to permit appropriate refunds to
25 purchasers when any disposition is rescinded or does not

1 become final, or payments for breach of any warranty, and
2 (2) may withdraw therefrom amounts so to be refunded or
3 paid, without regard to the origin of the funds withdrawn.

4 MISCELLANEOUS PROVISIONS

5 SEC. 404. (a) The President may prescribe such poli-
6 cies, not inconsistent with the provisions of this title, as he
7 shall deem necessary to effectuate the provisions of this title,
8 which provisions shall guide each executive agency in carry-
9 ing out its functions hereunder.

10 (b) Any authority conferred upon any executive agency
11 or the head thereof by the provisions of this title may be
12 delegated, and successive redelegation thereof may be author-
13 ized, by such head to any official in such agency or to the
14 head of any other executive agency.

15 (c) The head of each executive agency responsible for
16 the disposal of foreign excess property hereunder may, as
17 may be necessary to carry out his functions under this
18 title, (1) subject to the civil-service and classification laws,
19 appoint and fix the compensation of personnel, and (2)
20 without regard to the civil-service and classification laws,
21 appoint and fix the compensation of personnel outside the
22 continental limits of the United States.

23 (d) Each executive agency responsible for the dis-
24 posal of foreign excess property under this title shall submit
25 a report to Congress in January of each year or at such other

1 time or times as he may deem desirable relative to its
2 activities under this title, together with any appropriate
3 recommendations.

4 (e) There shall be transferred from the Department of
5 State to each other executive agency affected by this title
6 such records, property, personnel, obligations, commitments,
7 and unexpended balances of appropriations, allocations, and
8 other funds, available or to be made available, as the Direc-
9 tor of the Bureau of the Budget shall determine to relate to
10 functions of such agency under this title which have here-
11 tofore been administered by the Department of State.

12 TITLE V—GENERAL PROVISIONS

13 APPLICABILITY OF EXISTING PROCEDURES

14 SEC. 501. All policies, procedures, and directives
15 prescribed—

16 (a) by either the Director, Bureau of Federal Sup-
17 ply, or the Secretary of the Treasury and relating to
18 any function transferred to or vested in the Adminis-
19 trator by the provisions of this Act;

20 (b) by any officer of the Government under the
21 authority of the Surplus Property Act of 1944, as
22 amended, or under other authority with respect to sur-
23 plus property or foreign excess property;

24 (c) by or under authority of the Federal Works

1 Administrator or the head of any constituent agency of
2 the Federal Works Agency; and

3 (d) by the Archivist of the United States or any
4 other officer or body whose functions are transferred by
5 title I of this Act,

6 in effect upon the effective date of this Act and not incon-
7 sistent herewith, shall remain in full force and effect unless
8 and until superseded, or except as they may be amended,
9 under the authority of this Act or under other appropriate
10 authority.

11 REPEAL AND SAVING PROVISIONS

12 SEC. 502. (a) There are hereby repealed—

13 (1) the Surplus Property Act of 1944, as amended
14 (except sections 13 (a), 13 (g), 13 (h), 28, and 32
15 (b) (2)), and sections 501 and 502 of Reorganization
16 Plan Numbered 1 of 1947: *Provided*, That, with respect
17 to the disposal under this Act of any surplus real estate,
18 all priorities and preferences provided for in said Act,
19 as amended, shall continue in effect;

20 (2) that portion of the Act entitled “An Act mak-
21 ing supplemental appropriations for the Executive Office
22 and sundry independent executive bureaus, boards, com-
23 missions, and offices, for the fiscal year ending June
24 30, 1949, and for other purposes”, approved June 30,

1 1948 (Public Law 862, Eightieth Congress), as
2 amended, appearing under the caption "Surplus prop-
3 erty disposal";

4 (3) the Act entitled "An Act to authorize the
5 Secretary of War to dispose of material no longer needed
6 by the Army", approved February 28, 1936 (49 Stat.
7 1147; 10 U. S. C. 1258) ;

8 (4) the Act entitled "An Act to authorize the
9 Secretary of the Navy to dispose of material no longer
10 needed by the Navy", approved May 23, 1930, as
11 amended (46 Stat. 378; 34 U. S. C. 546c) ;

12 (5) section 5 of the Act of July 11, 1919 (41
13 Stat. 67; 40 U. S. C. 311) ;

14 (6) section 1 of the Act of December 20, 1928
15 (45 Stat. 1030; 40 U. S. C. 311a) ;

16 (7) the Act entitled "An Act to authorize the
17 Secretary of the Army, the Secretary of the Navy, and
18 the Secretary of the Air Force to donate excess and
19 surplus property for educational purposes", approved
20 July 2, 1948 (Public Law 889, Eightieth Congress) ;

21 (8) section 203 of the Act of June 26, 1943 (57
22 Stat. 195, as amended; 5 U. S. C. 118d-1) ;

23 (9) the Act of April 15, 1937 (50 Stat. 64; 5
24 U. S. C. 118d) ;

25 (10) the second proviso contained in the para-

graph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494) ;

(12) the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9) ;

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546) ;

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548) ;

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271) ;

(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a) ;

1 (17) the fifth paragraph under the heading "Office
2 of the Chief Signal Officer" of the Act of May 12, 1917
3 (40 Stat. 43, as amended; 10 U. S. C. 1272) :

4 (18) the third proviso contained in the second
5 paragraph under the heading "Office of the Chief Signal
6 Officer" of the Act of March 4, 1915 (38 Stat. 1064;
7 10 U. S. C. 1273) ;

8 (19) the fourteenth paragraph under the heading
9 "Smithsonian Institution" of section 1 of the Act of
10 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66) ;

11 (20) the second paragraph under the heading
12 "Government hospital for the insane" of section 1 of
13 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
14 173) ;

15 (21) the second paragraph under the heading
16 "Saint Elizabeths Hospital" of section 1 of the Act of
17 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174) ;

18 (22) the proviso contained in the second para-
19 graph under the heading "Bureau of Supplies and Ac-
20 counts" of the Act of August 22, 1912 (37 Stat. 346;
21 34 U. S. C. 531a) ;

22 (23) the second proviso of the first paragraph
23 under the heading "Bureau of Yards and Docks" of
24 the Act of August 29, 1916 (34 U. S. C. 532) ;

25 (24) the proviso contained in the second paragraph

under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723) ;

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118) ;

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ; and

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency

1 which is subject to the Government Corporation Control Act
2 (59 Stat. 597; 31 U. S. C. 841).

3 (d) Nothing in this Act shall impair or affect any
4 authority of—

5 (1) the President under the Philippine Property
6 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

7 (2) any executive agency with respect to any phase
8 (including, but not limited to, procurement, storage,
9 transportation, processing, and disposal) of any pro-
10 gram conducted for purposes of resale, price support,
11 grants to farmers, stabilization, transfer to foreign gov-
12 ernments, or foreign aid, relief, or rehabilitation: *Pro-*
13 *vided*, That the agency carrying out such program shall,
14 to the maximum extent practicable, consistent with the
15 fulfillment of the purposes of the program and the effec-
16 tive and efficient conduct of its business, coordinate its
17 operations with the requirements of this Act and the
18 policies and regulations prescribed pursuant thereto;

19 (3) any executive agency named in the Armed
20 Services Procurement Act of 1947, and the head thereof,
21 with respect to the administration of said Act;

22 (4) the National Military Establishment with re-
23 spect to property required for or located in occupied
24 territories;

25 (5) the Secretary of Defense with respect to the

1 administration of the National Industrial Reserve Act
2 of 1948;

3 (6) the Secretary of Defense, the Munitions Board,
4 and the Secretaries of the Army, Navy, and Air Force
5 with respect to the administration of the Strategic and
6 Critical Materials Stock Piling Act (60 Stat. 596),
7 and provided that any imported materials which the
8 authorized procuring agency shall certify to the Com-
9 missioner of Customs to be strategic and critical ma-
10 terials procured under said Act may be entered, or
11 withdrawn from warehouse, free of duty;

12 (7) the Secretary of State under the Foreign Serv-
13 ice Buildings Act of May 7, 1926, as amended;

14 (8) the Secretary of the Army and the Secretary
15 of the Air Force with respect to the administration of
16 section 1 (b) of the Act entitled "An Act to expedite
17 the strengthening of the national defense", approved
18 July 2, 1940 (54 Stat. 712) ;

19 (9) the Secretary of Agriculture or the Depart-
20 ment of Agriculture under (A) the National School
21 Lunch Act (60 Stat. 230) ; (B) the Farmers Home
22 Administration Act of 1946 (60 Stat. 1062) ; (C) the
23 Act of August 31, 1947, Public Law 298, Eightieth
24 Congress, with respect to the disposal of labor supply
25 centers, and labor homes, labor camps, or facilities; (D)

1 section 32 of the Act of August 24, 1935 (49 Stat.
2 774), as amended, with respect to the exportation and
3 domestic consumption of agricultural products; or (E)
4 section 201 of the Agricultural Adjustment Act of
5 1938 (52 Stat. 36) or section 203 (j) of the Agri-
6 cultural Marketing Act of 1946 (60 Stat. 1082) ;

7 (10) the Secretary of Agriculture, Farm Credit
8 Administration, or any farm credit board under section
9 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
10 with respect to the acquisition or disposal of property ;

11 (11) the Housing and Home Finance Agency, or
12 any officer or constituent agency therein, with respect
13 to the disposal of residential property, or of other prop-
14 erty (real or personal) held as part of or acquired for
15 or in connection with residential property, or in connec-
16 tion with the insurance of mortgages, loans, or savings
17 and loan accounts under the National Housing Act ;

18 (12) the Tennessee Valley Authority with respect to
19 nonpersonal services, with respect to the matters referred
20 to in section 201 (a) (4), and with respect to any
21 property acquired or to be acquired for or in connection
22 with any program of processing, manufacture, produc-
23 tion, or force account construction: *Provided*, That the
24 Tennessee Valley Authority shall to the maximum extent
25 that it may deem practicable, consistent with the fulfill-

ment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450) ;

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided, That,* subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any pro-

curement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

(17) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out "\$100" wherever it appears therein and inserting in lieu thereof "\$500."

(f) The Administrator shall report to the Congress, in January of each year, and at such other times as he may deem it desirable, the laws becoming obsolete by reason of the passage or operation of titles II and III of this Act.

AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or

1 hereafter appropriated, allocated, or available to it for pur-
2 poses similar to those provided for in sections 201, 202,
3 203, and 205 of this Act.

4 SEPARABILITY

5 SEC. 504. If any provision of this Act, or the applica-
6 tion thereof to any person or circumstances, is held invalid,
7 the remainder of this Act, and the application of such
8 provision to other persons or circumstances, shall not be
9 affected thereby.

10 EFFECTIVE DATE

11 SEC. 505. This Act shall become effective on July 1,
12 1949, except that the provisions of section 502 (a) (2)
13 (repealing prior law relating to the disposition of the affairs
14 of the War Assets Administration) shall become effective
15 on June 30, 1949.

81ST CONGRESS
1ST SESSION

S. 1809

[Report No. 338]

**A
BILL**

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

By Mr. McCLELLAN

MAY 9 (legislative day, APRIL 11), 1949

Read twice and placed on the calendar

H. R. 4754

MAY 18, 1949

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 That this Act may be cited as the “Federal Property
5 and Administrative Services Act of 1949”.

Sec. 2. Declaration of policy.
Sec. 3. Definitions.

Sec. 101. General Services Administration.
Sec. 102. Transfer of Bureau of Federal Supply and contract settlement functions.
Sec. 103. Transfer of affairs of the Federal Works Agency.
Sec. 104. Records management: Transfer of the National Archives.
Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 106. Redistribution of functions.
 Sec. 107. Transfer of funds.
 Sec. 108. Status of transferred employees.
 Sec. 109. Salaries of officers.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
Sec. 202. Property utilization.
Sec. 203. Disposal of surplus property.
Sec. 204. Proceeds from transfer or disposition of property.
Sec. 205. Policies, regulations, and delegations.
Sec. 206. Surveys and standardization.
Sec. 207. Applicability of antitrust laws.
Sec. 208. Employment of personnel.
Sec. 209. Civil remedies and penalties.
Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
 Sec. 402. Methods and terms of disposal.
 Sec. 403. Proceeds; foreign currencies.
 Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

1 DECLARATION OF POLICY

2 SEC. 2. It is the intent of the Congress in enacting this
3 legislation to provide for the Government an economical and
4 efficient system for (a) the procurement and supply of per-

1 sonal property and nonpersonal services, including related
2 functions such as contracting, inspection, storage, issue,
3 specifications, property identification and classification,
4 transportation and traffic management, management of
5 public-utility services, repairing and converting, establish-
6 ment of inventory levels, establishment of forms and pro-
7 cedures, and representation before Federal and State regu-
8 latory bodies; (b) the utilization of available property;
9 (c) the disposal of surplus property; and (d) records
10 management.

11 DEFINITIONS

12 SEC. 3. As used in this Act—

13 (a) The term “executive agency” means any executive
14 department or independent establishment in the executive
15 branch of the Government, including any wholly owned
16 Government corporation.

17 (b) The term “Federal agency” means any executive
18 agency or any establishment in the legislative or judicial
19 branch of the Government.

20 (c) The term “Administrator” means the Administrator
21 of General Services provided for in title I hereof.

22 (d) The term “property” means any interest in prop-
23 erty of any kind except (i) the public domain and lands
24 reserved or dedicated for national forest or national park
25 purposes; and (ii) naval vessels of the following categories:

1 Battleships, cruisers, aircraft carriers, destroyers, and sub-
2 marines.

3 (e) The term “excess property” means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term “foreign excess property” means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term “surplus property” means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of any Federal agency, as determined
14 by the Administrator.

15 (h) The term “care and handling” includes complet-
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling,
18 conserving, and transporting excess and surplus property,
19 and, in the case of property which is dangerous to public
20 health or safety, destroying or rendering innocuous such
21 property.

22 (i) The term “person” includes any corporation, part-
23 nership, firm, association, trust, estate, or other entity.

24 (j) The term “nonpersonal services” means such cor

1 tractual services, other than personal and professional
2 services, as the Administrator shall designate.

3 (k) The term “contractor inventory” means (i)
4 any property acquired by and in the possession of a con-
5 tractor or subcontractor under a contract pursuant to the
6 terms of which title is vested in the Government, and in
7 excess of the amounts needed to complete full performance
8 under the entire contract; and (ii) any property which
9 the Government is obligated to take over under any type
10 of contract as a result either of any changes in the speci-
11 fications or plans thereunder or of the termination of such
12 contract (or subcontract thereunder), prior to completion
13 of the work, for the convenience or at the option of the
14 Government.

15 TITLE I—ORGANIZATION

16 GENERAL SERVICES ADMINISTRATION

17 SEC. 101. (a) There is hereby established an agency
18 in the executive branch of the Government which shall be
19 known as the General Services Administration.

20 (b) There shall be at the head of the General Services
21 Administration an Administrator of General Services who
22 shall be appointed by the President by and with the advice
23 and consent of the Senate and perform his functions subject
24 to the direction and control of the President.

1 (c) There shall be in the General Services Administra-
2 tion a Deputy Administrator of General Services who shall
3 be appointed by the Administrator of General Services.
4 The Deputy Administrator shall perform such functions as
5 the Administrator shall designate and shall be Acting
6 Administrator of General Services during the absence or
7 disability of the Administrator and, unless the President shall
8 designate another officer of the Government, in the event of
9 a vacancy in the office of Administrator.

10 (d) Pending the first appointment of the Adminis-
11 trator under the provisions of this section the President may
12 designate the Federal Works Administrator in office immedi-
13 ately prior to the taking effect of the provisions of this Act
14 to perform temporarily the functions of the Administrator
15 of General Services; and such designee, while serving in
16 this capacity under this subsection shall receive the com-
17 pensation of the Administrator of General Services.

18 TRANSFER OF BUREAU OF FEDERAL SUPPLY

19 SEC. 102. (a) The Bureau of Federal Supply in the
20 Department of the Treasury and its functions, records, prop-
21 erty, personnel, obligations, and commitments, are hereby
22 transferred from the Department of the Treasury to the
23 General Services Administration, together with such addi-
24 tional records, property, and personnel of the Department of
25 the Treasury as the Director of the Bureau of the Budget shall

determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V of this Act. There shall be at the head of the Bureau of Federal Supply a Commissioner of Federal Supply, who shall be appointed by the Administrator. The functions of (1) the Director of the Bureau of Federal Supply, (2) the personnel of such Bureau, and (3) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Agency as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments,

1 and unexpended balances (available or to be made available)
2 of appropriations, allocations, and other funds of the Treas-
3 ury Department as the Director of the Bureau of the Budget
4 shall determine to relate primarily to the functions trans-
5 ferred by the provisions of this subsection.

6 (c) Any other provision of this section notwithstanding
7 there may be retained in the Department of the Treasury
8 any function referred to in subsection (a) of this section
9 which the Director of the Bureau of the Budget shall, within
10 ten days after the effective date of this Act, determine to be
11 essential to the orderly administration of the affairs of the
12 agencies of such Department, other than the Bureau of Fed-
13 eral Supply, together with such records, property, personnel,
14 obligations, commitments, and unexpended balances of ap-
15 propriations, allocations, and other funds, available or to be
16 made available, of said Department, as said Director shall
17 determine.

18 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

19 SEC. 103. (a) There are hereby transferred to the
20 General Services Administration (1) the Public Buildings
21 Administration, which shall hereafter be known as the
22 Bureau of Public Buildings, and its functions, records, prop-
23 erty, personnel, obligations, and commitments; (2) the
24 Public Roads Administration which shall hereafter be known
25 as the Bureau of Public Roads, and its functions, records,

1 property, personnel, obligations, and commitments; and
 2 (3) all other functions, records, property, personnel, obliga-
 3 tions, and commitments of the Federal Works Agency;
 4 (4) all functions of the Federal Works Administrator and
 5 all functions of the Commissioner of Public Buildings and
 6 the Commissioner of Public Roads are hereby transferred
 7 to the Administrator of General Services.

8 (b) There are hereby abolished the Federal Works
 9 Agency, the office of Federal Works Administrator, and the
 10 office of Assistant Federal Works Administrator.

11 (c) Without regard to the provisions of section 103 (b),
 12 the President may continue, for such duration as he shall
 13 determine, as a constituent agency of the General Services
 14 Administration, the heretofore existing Bureau of Community
 15 Facilities of the Federal Works Agency.

16 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL
 17 ARCHIVES

18 SEC. 104. (a) The National Archives Establishment
 19 and its functions, records, property, personnel, obligations,
 20 and commitments are hereby transferred to the General Serv-
 21 ices Administration. There are transferred to the Adminis-
 22 trator (1) the functions of the Archivist of the United States,
 23 except his functions under the Act of July 7, 1943 (57 Stat.
 24 380, as amended), which excepted functions shall be per-

1 formed by the Archivist subject to the direction and control
2 of the Administrator, and except that the Archivist shall
3 continue to be a member or chairman, as the case may be,
4 of the bodies referred to in subsection (b) of this section,
5 and (2) the functions of the Director of the Division of the
6 Federal Register of the National Archives Establishment.
7 The Archivist of the United States shall hereafter be ap-
8 pointed by the Administrator.

9 (b) There are also transferred to the General Services
10 Administration the following bodies, together with their
11 respective functions and such funds as are derived from
12 Federal sources: (1) The National Archives Council and
13 the National Historical Publications Commission, established
14 by the Act of June 19, 1934 (48 Stat. 1122), (2) the
15 National Archives Trust Fund Board, established by the
16 Act of July 9, 1941 (55 Stat. 581), (3) the Board of
17 Trustees of the Franklin D. Roosevelt Library, established
18 by the Joint Resolution of July 18, 1939 (53 Stat. 1062),
19 and (4) the Administrative Committee established by sec-
20 tion 6 of the Act of July 26, 1935 (49 Stat. 501), which
21 shall hereafter be known as the Administrative Committee
22 of the Federal Register. The authority of the Adminis-
23 trator under section 106 hereof shall not extend to the
24 bodies or functions affected by this subsection.

1 TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR

2 ASSETS ADMINISTRATION

3 SEC. 105. The functions, records, property, personnel,
4 obligations, and commitments of the War Assets Admin-
5 istration are hereby transferred to the General Services
6 Administration. The functions of the War Assets Admin-
7 istrator are hereby transferred to the Administrator of
8 General Services. The War Assets Administration, the
9 office of the War Assets Administrator, and the office
10 of Associate War Assets Administrator are hereby abolished.
11 Personnel now holding appointments granted under the
12 second sentence of section 5 (b) of the Surplus Property
13 Act of 1944, as amended, may be continued in such posi-
14 tions or may be appointed to similar positions for such time
15 as the Administrator may determine.

16 REDISTRIBUTION OF FUNCTIONS

17 SEC. 106. The Administrator is hereby authorized, in
18 his discretion and from time to time, to regroup, transfer,
19 and distribute any functions within the General Services
20 Administration, in order to effectively accomplish such func-
21 tions. The Administrator is hereby authorized to transfer
22 the funds necessary to accomplish said functions and report
23 such transfers of funds to the Director of the Bureau of the
24 Budget.

TRANSFER OF FUNDS

SEC. 107. All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

SALARIES OF OFFICERS

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services,

1 the Commissioner of Federal Supply, the Commissioner of
2 Public Buildings, the Archivist of the United States, and
3 the Commissioner of Public Roads, and without regard
4 to existing provisions of law governing such compensa-
5 tion, the President shall fix for each of them a rate of
6 compensation which he shall deem to be commensurate with
7 the responsibilities and duties of the respective offices
8 involved.

9 TITLE II—PROPERTY MANAGEMENT

10 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

11 SEC. 201. (a) The Administrator shall, in respect of
12 executive agencies, and to the extent that he determines
13 that so doing is advantageous to the Government in terms
14 of economy, efficiency, or service, and with due regard to
15 the program activities of the agencies concerned—

16 (1) prescribe policies and methods of procurement
17 and supply of personal property and nonpersonal serv-
18 ices, including related functions such as contracting,
19 inspection, storage, issue, property identification and
20 classification, transportation and traffic management,
21 management of public-utility services, repairing and
22 converting; and

23 (2) operate, and, after consultation with the execu-
24 tive agencies affected, consolidate, take over, or arrange
25 for the operation by any executive agency of ware-

1 houses, supply centers, repair shops, fuel yards, and
2 other similar facilities; and

3 (3) procure and supply personal property and
4 nonpersonal services for the use of executive agencies
5 in the proper discharge of their responsibilities, and
6 perform functions related to procurement and supply
7 such as those mentioned above in subparagraph (1) ; and

8 (4) with respect to transportation and other
9 public-utility services for the use of executive agencies,
10 represent such agencies in negotiations with carriers
11 and other public utilities and in proceedings involving
12 carriers or other public utilities before Federal and
13 State regulatory bodies;

14 *Provided*, That the Secretary of Defense may from time
15 to time, and unless the President shall otherwise direct,
16 exempt the National Military Establishment from action
17 taken or which may be taken by the Administrator under
18 clauses (1), (2), (3), and (4) above whenever he deter-
19 mines such exemption to be in the best interests of national
20 security.

21 (b) The Administrator shall as far as practicable pro-
22 vide any of the services specified in subsection (a) of this
23 section to any other Federal agency, mixed ownership cor-
24 poration (as defined in the Government Corporation Control
25 Act), or the District of Columbia, upon its request.

1 (c) In acquiring personal property, any executive
2 agency, under regulations to be prescribed by the Admin-
3 istrator, may exchange or sell similar items, and may apply
4 the exchange allowance or proceeds of sale in such cases in
5 whole or in part payment for the property acquired: *Pro-*
6 *vided*, That any transaction carried out under the authority
7 of this subsection shall be evidenced in writing.

8 (d) Section 3709 of the Revised Statutes, as amended
9 (41 U. S. C. 5), is hereby further amended by striking out
10 the figures “\$100” wherever they appear and inserting in
11 lieu thereof the figures “\$500”.

12 (e) Section 2 of the Act of February 27, 1929 (ch.
13 35d, 45 Stat. 1342), is hereby amended to read as follows:
14 “Each executive department and independent establishment
15 shall furnish from time to time, when called on to do so, esti-
16 mates of its requirements for inclusion in purchases which
17 it is proposed to have made by the Administrator of General
18 Services, and there shall be reserved from proper appropria-
19 tions sufficient amounts in each case to reimburse the general
20 supply fund hereinafter created. The Administrator of
21 General Services shall charge the estimated cost of supplies,
22 and bill the same to each requisitioning department and inde-
23 pendent establishment; and each such requisitioning depart-
24 ment and establishment shall reimburse said general supply
25 fund out of its appropriation upon proper vouchers. Other

1 expenses such as, breakage, shrinkage, inspection, and han-
2 dling by the General Services Administration shall be charged
3 to funds appropriated to cover such expense.”

4 PROPERTY UTILIZATION

5 SEC. 202. (a) In order to minimize expenditures for
6 property, the Administrator shall prescribe policies and
7 methods to promote the maximum utilization of excess prop-
8 erty by executive agencies, and he shall provide for the
9 transfer of excess property among Federal agencies.

(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable,

(1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

26 (d) Under existing provisions of law and procedures

1 defined by the Secretary of Defense, and without regard to
2 the requirements of this section except subsection (f) ex-
3 cess property of one of the departments of the National Mili-
4 tary Establishment may be transferred to another depart-
5 ment thereof.

6 (e) Transfers of excess property between Federal agen-
7 cies (except transfers for redistribution to other Federal
8 agencies or for disposal as surplus property) shall be at the
9 fair value thereof, as determined by, or pursuant to regula-
10 tions of, the Administrator, unless such transfer is other-
11 wise authorized by any law approved subsequent to June
12 21, 1944, to be without reimbursement or transfer of funds.

13 (f) The Director of the Bureau of the Budget shall
14 prescribe regulations providing for the reporting to said
15 Director by executive agencies of such reassignments or
16 transfers of property between activities financed by different
17 appropriations as he shall deem appropriate, and the re-
18 assignments and transfers so reported shall be reported to
19 the Congress in the annual budget or otherwise as said
20 Director may determine.

21 (g) Whenever the Administrator determines that the
22 temporary assignment or reassignment of any space in excess
23 real property to any Federal agency for office, storage, or
24 related facilities would be more advantageous than the

1 permanent transfer of such property, he may make such
2 assignment or reassignment for such period of time as he
3 shall determine and obtain, in the absence of appropriation
4 available to him therefor, appropriate reimbursement from
5 the using agency for the expense of maintaining such space.

6 (h) The Administrator may authorize the abandonment,
7 destruction, or donation to public bodies of property which
8 has no commercial value, or of which the estimated cost of
9 continued care and handling would exceed the estimated
10 proceeds from its sale.

11 DISPOSAL OF SURPLUS PROPERTY

12 SEC. 203. (a) Except as otherwise provided in this
13 section, the Administrator shall have supervision and direc-
14 tion over the disposition of surplus property. Such property
15 shall be disposed of to such extent, at such time, in such
16 areas, by such agencies, at such terms and conditions, and in
17 such manner, as may be prescribed in or pursuant to this Act.

18 (b) The care and handling of surplus property, pending
19 its disposition, and the disposal of surplus property, may
20 be performed by the General Services Administration or,
21 when so determined by the Administrator, by the executive
22 agency in possession thereof or by any other executive
23 agency consenting thereto.

24 (c) Any executive agency designated or authorized
25 by the Administrator to dispose of surplus property may do

1 so by sale, exchange, lease, permit, or transfer, for cash,
2 credit, or other property with or without warranty, and
3 upon such other terms and conditions as the Administrator
4 deems proper, and it may execute such documents for the
5 transfer of title or other interest in property and take such
6 other action as it deems necessary or proper to dispose of
7 such property under the provisions of this title.

8 (d) A deed, bill of sale, lease, or other instrument
9 executed by or on behalf of any executive agency purporting
10 to transfer title or any other interest in surplus property
11 under this title shall be conclusive evidence of compliance
12 with the provisions of this title insofar as concerns title or
13 other interest of any bona fide grantee or transferee for value
14 and without notice of lack of such compliance.

15 (e) Unless the Administrator shall determine that dis-
16 posal by advertising will in a given case better protect the
17 public interest, surplus property disposals may be made with-
18 out regard to any provision of existing law for advertising
19 until 12 o'clock noon, eastern standard time, December 31,
20 1949.

21 (f) Subject to regulations of the Administrator, any
22 executive agency may authorize any contractor with such
23 agency or subcontractor thereunder to retain or dispose of
24 any contractor inventory.

25 (g) The Administrator, in formulating policies with

1 respect to the disposal of surplus agricultural commodities,
2 surplus foods processed from agricultural commodities, and
3 surplus cotton or woolen goods, shall consult with the Sec-
4 retary of Agriculture. Such policies shall be so formulated
5 as to prevent surplus agricultural commodities, or surplus
6 food processed from agricultural commodities, from being
7 dumped on the market in a disorderly manner and dis-
8 rupting the market prices for agricultural commodities.

9 (h) Whenever the Secretary of Agriculture determines
10 such action to be required to assist him in carrying out his
11 responsibilities with respect to price support or stabilization,
12 the Administrator shall transfer without charge to the De-
13 partment of Agriculture any surplus agricultural commod-
14 ities, foods, or cotton or woolen goods to be disposed of.
15 Receipts resulting from disposal by the Department of
16 Agriculture under this subsection shall be deposited pursuant
17 to any authority available to the Secretary of Agriculture,
18 except that net proceeds of any sale of surplus property
19 so transferred shall be credited pursuant to section 204 (b),
20 when applicable. Surplus farm commodities so transferred
21 shall not be sold, other than for export, in quantities in
22 excess of, or at prices less than, those applicable with respect
23 to sales of such commodities by the Commodity Credit
24 Corporation.

25 (i) The United States Maritime Commission shall dis-

1 pose of surplus vessels of one thousand five hundred gross
2 tons or more which the Commission determines to be mer-
3 chant vessels or capable of conversion to merchant use, and
4 such vessels shall be disposed of only in accordance with the
5 provisions of the Merchant Marine Act, 1936, as amended,
6 and other laws authorizing the sale of such vessels.

7 (j) (1) Under such regulations as he may prescribe,
8 the Administrator is authorized in his discretion to donate
9 for educational purposes in the States, Territories, and
10 possessions without cost (except for costs of care and
11 handling) such equipment, materials, books, or other sup-
12 plies under the control of any executive agency as shall have
13 been determined to be surplus property and which shall have
14 been determined under paragraph 2 or paragraph 3 of this
15 subsection to be usable for educational purposes.

16 (2) Determination whether such surplus property (ex-
17 cept surplus property donated in conformity with paragraph
18 3 of this subsection) is usable and necessary for educational
19 purposes shall be made by the Federal Security Adminis-
20 trator, who shall allocate such property on the basis of needs
21 and utilization for transfer by the Administrator of General
22 Services to tax-supported school systems, schools, colleges,
23 and universities, and to other nonprofit schools, colleges, and
24 universities which have been held exempt from taxation under
25 section 101 (6) of the Internal Revenue Code, or to State

1 departments of education for distribution to such tax-sup-
2 ported and non-profit school systems, schools, colleges, and
3 universities; except that in any State where another agency
4 is designated by State law for such purpose such transfer shall
5 be made to said agency for such distribution within the State.

6 (3) In the case of surplus property under the control of
7 the National Military Establishment, the Secretary of De-
8 fense shall determine whether such property is usable and
9 necessary for educational activities that are of special in-
10 terest to the armed services, such as maritime academies
11 or military, naval, Air Force, or Coast Guard preparatory
12 schools. If such Secretary shall determine that such prop-
13 erty is usable and necessary for such purposes, he shall
14 allocate it for transfer by the Administrator to such educa-
15 tional activities. If he shall determine that such property
16 is not usable and necessary for such purposes, it may be
17 disposed of in accordance with paragraph 2 of this subsection.

18 (k) Subject to the disapproval of the Administrator
19 within thirty days after the proposal of any action to be
20 taken under this subsection—

21 (1) the Federal Security Administrator, in
22 the case of property transferred pursuant to the Sur-
23 plus Property Act of 1944, as amended, to States,
24 political subdivisions and instrumentalities thereof, and

1 tax-supported and other nonprofit educational insti-
2 tutions for school, classroom, or other educational use;

3 (2) the Federal Security Administrator, in the
4 case of property transferred pursuant to the Surplus
5 Property Act of 1944, as amended, to States, political
6 subdivisions and instrumentalities thereof, tax-supported
7 medical institutions, and to hospitals and other similar
8 institutions not operated for profit, for use in the pro-
9 tection of public health (including research) ;

10 (3) The Secretary of the Interior, in the case of
11 property transferred pursuant to the Surplus Property
12 Act of 1944, as amended, to States, political subdivisions
13 and instrumentalities thereof, and municipalities for use
14 as a public park, public recreational area, or historic
15 monument for the benefit of the public; or

16 (4) the Secretary of Defense, in the case of prop-
17 erty transferred pursuant to the Surplus Property Act
18 of 1944, as amended, to States, political subdivisions and
19 tax-supported instrumentalities thereof for use in the
20 training and maintenance of civilian components of the
21 armed forces,

22 is authorized and directed—

23 (A) to determine and enforce compliance with the
24 terms, conditions, reservations, and restrictions con-

1 tained in any instrument by which such transfer was
2 made;

3 (B) to reform, correct, or amend any such instru-
4 ment by the execution of a corrective, reformatory, or
5 amendatory instrument where necessary to correct such
6 instrument or to conform such transfer to the require-
7 ments of applicable law; and

8 (C) to (i) grant releases from any of the terms,
9 conditions, reservations, and restrictions contained in,
10 and (ii) convey, quitclaim, or release any right or
11 interest reserved to the United States by, any instru-
12 ment by which such transfer was made, if he deter-
13 mines that the property so transferred no longer serves
14 the purpose for which it was transferred, and that such
15 release, conveyance, or quitclaim deed will not prevent
16 accomplishment of the purpose for which such prop-
17 erty was so transferred: *Provided*, That any such re-
18 lease, conveyance, or quitclaim deed may be granted
19 on, or made subject to, such terms and conditions as
20 he shall deem necessary to protect or advance the
21 interests of the United States.

22 (1) The Administrator is authorized to take possession
23 of abandoned and other unclaimed property on premises
24 owned or leased by the Government, to determine when
25 title thereto vested in the United States, and to utilize,

1 transfer or otherwise dispose of such property. Former
2 owners of such property upon proper claim filed within three
3 years from the date of vesting of title in the United States
4 shall be paid the proceeds realized from the disposition of
5 such property or, if the property is used or transferred, the
6 fair value therefor as of the time title was vested in the
7 United States as determined by the Administrator, less in
8 either case the costs incident to the care and handling of
9 such property as determined by the Administrator.

10 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

11 SEC. 204. (a) All proceeds under this title from any
12 transfer of excess property to a Federal agency for its use,
13 or from any sale, lease, or other disposition of surplus prop-
14 erty, shall be covered into the Treasury as miscellaneous
15 receipts, except as provided in subsections (b), (c), and
16 (d) of this section.

17 (b) Where the property transferred or disposed of was
18 acquired by the use of funds either not appropriated from
19 the general fund of the Treasury or appropriated therefrom
20 but by law reimbursable from assessment, tax, or other rev-
21 enue or receipts, then the net proceeds of the disposition or
22 transfer shall be credited to the reimbursable fund or ap-
23 propriation or paid to the Federal agency which determined
24 such property to be excess: *Provided*, That the proceeds

1 shall be credited to miscellaneous receipts in any case when
2 the agency which determined the property to be excess shall
3 deem it uneconomical or impractical to ascertain the amount
4 of net proceeds. As used in this subsection, the term "net
5 proceeds of the disposition or transfer" means the proceeds
6 of the disposition or transfer minus all expenses incurred
7 for care and handling and disposition or transfer.

8 (c) Any Federal agency disposing of surplus property
9 under this title (1) may deposit, in a special account with
10 the Treasurer of the United States, such amount of the
11 proceeds of such dispositions as it deems necessary to permit
12 appropriate refunds to purchasers when any disposition is
13 rescinded or does not become final, or payments for breach
14 of any warranty, and (2) may withdraw therefrom amounts
15 so to be refunded or paid, without regard to the origin of
16 the funds withdrawn.

17 (d) Where any contract entered into by an executive
18 agency or any subcontract under such contract authorizes
19 the proceeds of any sale of property in the custody of the
20 contractor or subcontractor to be credited to the price or
21 cost of the work covered by such contract or subcontract,
22 the proceeds of any such sale shall be credited in accordance
23 with the contract or subcontract.

24 (e) Where any mortgage, lien, or other interest as

1 security is retained in connection with any disposition of
2 surplus property under this title, the Administrator shall
3 preserve and manage such security and may enforce and
4 settle any right of the Government with respect thereto in
5 such manner and upon such terms as he deems in the best
6 interest of the Government.

7 POLICIES, REGULATIONS, AND DELEGATIONS

8 SEC. 205. (a) The President may prescribe such poli-
9 cies and directives, not inconsistent with the provisions of
10 this Act, as he shall deem necessary to effectuate the pro-
11 visions of this Act, which policies and directives shall govern
12 the Administrator and executive agencies in carrying out
13 their respective functions hereunder.

14 (b) The Comptroller General after considering the
15 needs and requirements of the executive agencies shall pre-
16 scribe principles and standards of accounting for property,
17 cooperate with the Administrator and with the executive
18 agencies in the development of property accounting systems
19 and approve such systems when deemed to be adequate and
20 in conformity with prescribed principles and standards.
21 From time to time the General Accounting Office shall
22 examine such property accounting systems as are estab-
23 lished by the executive agencies to determine the extent
24 of compliance with prescribed principles and standards and

1 approved systems, and the Comptroller General shall report
2 to the Congress any failure to comply with such principles
3 and standards or to adequately account for property.

4 (c) The Administrator shall prescribe such regulations
5 as he deems necessary to effectuate his functions under
6 this Act, and the head of each executive agency shall cause
7 to be issued such orders and directives as such head deems
8 necessary to carry out such regulations.

9 (d) The Administrator is authorized to delegate and to
10 authorize successive redelegation of any authority trans-
11 ferred to or vested in him by this Act (except for the au-
12 thority to issue regulations on matters of policy having
13 application to executive agencies, the authority contained
14 in section 106, and as otherwise provided in this Act) to
15 any official in the General Services Administration or to
16 the head of any other Federal agency.

17 (e) With respect to any function transferred to or
18 vested in the General Services Agency or the Administrator
19 by this Act, the Administrator may (1) direct the under-
20 taking of its performance by the General Services Administra-
21 tion or by any constituent organization therein which he may
22 designate or establish; or (2) designate and authorize any
23 executive agency to perform such function for itself; or (3)
24 designate and authorize any other executive agency to per-
25 form such function; or (4) provide for such performance

1 by any combination of the foregoing methods. Any designa-
2 tion or assignment of functions or delegation of authority to
3 another executive agency under this section shall be made
4 only with the consent of the executive agency concerned,
5 or upon direction of the President.

6 (f) When any executive agency (including the
7 General Services Administration and constituent organiza-
8 tions thereof) is authorized and directed by the Administrator
9 to carry out any function under this Act, the Administrator
10 may, with the approval of the Director of the Bureau of the
11 Budget, provide for the transfer of appropriate personnel,
12 records, property, and allocated funds of the General Services
13 Administration, or of such other executive agency as has
14 theretofore carried out such function, to the executive agency
15 so authorized and directed.

16 (g) The Administrator may establish advisory
17 committees, to advise with him with respect to any
18 function transferred to or vested in the Administrator by
19 this Act. The members thereof shall serve without compen-
20 sation but shall be entitled to transportation and not to
21 exceed \$25 per diem in lieu of subsistence, as authorized
22 by section 5 of the Act of August 2, 1946 (5 U. S. C.
23 73b-2), for persons so serving.

24 (h) The Administrator shall advise and consult with
25 interested Federal agencies with a view to obtaining their

1 advice and assistance in carrying out the purposes of this
2 title.

3 SURVEYS, STANDARDIZATION AND CATALOGING

4 SEC. 206. (a) As he may deem necessary for the effec-
5 tuation of his functions under this title, and after adequate
6 advance notice to the executive agencies affected, and with
7 due regard to the requirements of the National Military
8 Establishment as determined by the Secretary of Defense, the
9 Administrator is authorized (1) to make surveys of Govern-
10 ment property and property management practices and obtain
11 reports thereon from executive agencies; (2) to cooperate
12 with executive agencies in the establishment of reasonable
13 inventory levels for property stocked by them and from time
14 to time report any excessive stocking to the Congress and
15 to the Director of the Bureau of the Budget; (3) to estab-
16 lish and maintain such uniform Federal supply catalog system
17 as may be appropriate to identify and classify personal prop-
18 erty under the control of Federal agencies: *Provided*, That
19 the Administrator and the Secretary of Defense shall co-
20 ordinate the cataloging activities of the General Services
21 Agency and the National Military Establishment so as
22 to avoid unnecessary duplication; and (4) to prescribe
23 standardized forms and procedures, except such as the Comp-
24 troller General is authorized by law to prescribe, and
25 standard purchase specifications.

1 (b) Each Federal agency shall utilize such uniform
2 Federal supply catalog system and standard purchase speci-
3 fications, except as the Administrator, taking into considera-
4 tion efficiency, economy, and other interests of the
5 Government, shall otherwise provide.

6 (c) The General Accounting Office shall audit all types
7 of property accounts and transactions at such times and in
8 such manner as determined by the Comptroller General.
9 Such audit shall be conducted as far as practicable at the
10 place or places where the property or records of the execu-
11 tive agencies are kept and shall include but not necessarily
12 be limited to an evaluation of the effectiveness of internal
13 controls and audits, and a general audit of the discharge of
14 accountability for Government-owned or controlled property
15 based upon generally accepted principles of auditing.

16 APPLICABILITY OF ANTITRUST LAWS

17 SEC. 207. Whenever any executive agency shall begin
18 negotiations for the disposition to private interests
19 of a plant or plants, or other property, which cost
20 the Government \$1,000,000 or more, or of patents,
21 processes, techniques, or inventions, irrespective of cost,
22 the executive agency shall promptly notify the Attorney
23 General of the proposed disposal and the probable terms
24 or conditions thereof. Within a reasonable time, in no
25 event to exceed ninety days after receiving such notifica-

tion, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classifications laws, to appoint and fix the compensation of such personnel as may be necessary

1 to carry out the provisions of titles I, II, III, and V of this
2 Act.

3 (b) To such extent as he finds necessary to carry out
4 the provisions of titles I, II, III, and V of this Act, the Ad-
5 ministrator is hereby authorized to procure the temporary
6 (not in excess of one year) or intermittent services of ex-
7 perts or consultants or organizations thereof, including steno-
8 graphic reporting services, by contract or appointment, and
9 in such cases such service shall be without regard to the
10 civil-service and classification laws, and, except in the case
11 of stenographic reporting services by organizations, without
12 regard to section 3709, Revised Statutes, as amended (41
13 U. S. C. 5).

14 (c) Notwithstanding the provisions of section 1222 of
15 the Revised Statutes (10 U. S. C. 576) or of any other
16 provision of law, the Administrator in carrying out the
17 functions imposed upon him by this Act is authorized to
18 utilize in his agency the services of officials, officers, and
19 other personnel in other executive agencies, including per-
20 sonnel of the armed services, with the consent of the head of
21 the agency concerned.

22 CIVIL REMEDIES AND PENALTIES

23 SEC. 209. (a) Where any property is transferred or
24 disposed of in accordance with this Act and any regulations

1 prescribed hereunder, no officer or employee of the Govern-
2 ment shall (1) be liable with respect to such transfer or
3 disposition except for his own fraud, or (2) be accountable
4 for the collection of any purchase price for such property
5 which is determined to be uncollectible by the Federal agency
6 responsible therefor.

7 (b) Every person who shall use or engage in, or cause
8 to be used or engaged in, or enter into an agreement, com-
9 bination, or conspiracy to use or engage in or to cause to
10 be used or engaged in, any fraudulent trick, scheme, or
11 device, for the purpose of securing or obtaining, or aiding to
12 secure or obtain, for any person any payment, property, or
13 other benefits from the United States or any Federal agency
14 in connection with the procurement, transfer, or disposition
15 of property hereunder—

16 (1) shall pay to the United States the sum of
17 \$2,000 for each such act, and double the amount of any
18 damage which the United States may have sustained by
19 reason thereof, together with the cost of suit; or

20 (2) shall, if the United States shall so elect, pay
21 to the United States, as liquidated damages, a sum equal
22 to twice the consideration agreed to be given by the
23 United States or any Federal agency to such person or
24 by such person to the United States or any Federal
25 agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other

1 times as he may deem it desirable, regarding the adminis-
2 tration of his functions under this Act, together with such
3 recommendations for amendments to this Act as he may
4 deem appropriate as the result of the administration of such
5 functions, at which time he shall also cite the laws becom-
6 ing obsolete by reason of passage or operation of the pro-
7 visions of this Act.

8 TITLE III—PROCUREMENT PROCEDURE

9 DECLARATION OF PURPOSE

10 SEC. 301. The purpose of this title is to facilitate the
11 procurement of supplies and services.

12 APPLICATION AND PROCUREMENT METHODS

13 SEC. 302. (a) The provisions of this title shall be ap-
14 plicable to purchases and contracts for supplies or services
15 made—

16 (1) by the General Services Administration for the
17 use of such agency or otherwise; and

18 (2) by any other executive agency (except any
19 agency named in section 2 (a) of the Armed Services
20 Procurement Act of 1947), to the extent of and in con-
21 formity with authority delegated by the Administrator
22 pursuant to the provisions of this subsection.

23 The Administrator may delegate to the head of any other
24 such agency authority to make purchases and contracts for

1 supplies or services pursuant to the provisions of this title
2 (A) for the use of two or more executive agencies or (B)
3 in other cases upon a determination by the Administrator
4 that by reason of circumstances set forth in such determina-
5 tion such delegation is advantageous to the Government in
6 terms of economy, efficiency, or national security. Notice
7 of every such delegation of authority so made shall be fur-
8 nished to the General Accounting Office.

9 (b) It is the declared policy of the Congress that a fair
10 proportion of the total purchases and contracts for supplies
11 and services for the Government shall be placed with small-
12 business concerns. Whenever it is proposed to make a
13 contract or purchase in excess of \$10,000 by negotiation
14 and without advertising, pursuant to the authority of para-
15 graph (7) or (8) of section 302 (c) of this title, suitable
16 advance publicity, as determined by the agency head with
17 due regard to the type of supplies involved and other rel-
18 evant considerations, shall be given for a period of at least
19 fifteen days, wherever practicable, as determined by the
20 agency head.

21 (c) All purchases and contracts for supplies and serv-
22 ices shall be made by advertising, as provided in section 303,
23 except that such purchases and contracts may be negotiated
24 by the agency head without advertising if—

1 (1) determined to be necessary in the public
2 interest during the period of a national emergency
3 declared by the President or by the Congress;

4 (2) the public exigency will not admit of the delay
5 incident to advertising;

6 (3) the aggregate amount involved does not exceed
7 \$1,000: *Provided*, That no agency other than the
8 General Services Agency shall make any purchase of,
9 or contract for, supplies or services in excess of \$500
10 under this paragraph except in the exercise of authority
11 conferred by the Administrator to procure and furnish
12 supplies and services for the use of two or more executive
13 agencies;

14 (4) for personal or professional services;

15 (5) for any service to be rendered by any univer-
16 sity, college, or other educational institution;

17 (6) the supplies or services are to be procured and
18 used outside the limits of the United States and its
19 possessions;

20 (7) for medicines or medical supplies;

21 (8) for supplies purchased for authorized resale;

22 (9) for supplies or services for which it is imprac-
23 ticable to secure competition;

24 (10) the agency head determines that the purchase
25 or contract is for experimental, developmental, or re-

search work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency

1 head determines that bid prices after advertising there-
2 for are not reasonable (either as to all or as to some part
3 of the requirements) or have not been independently
4 arrived at in open competition: *Provided*, That no
5 negotiated purchase or contract may be entered into
6 under this paragraph after the rejection of all or some
7 of the bids received unless (A) notification of the inten-
8 tion to negotiate and reasonable opportunity to negotiate
9 shall have been given by the agency head to each re-
10 sponsible bidder and (B) the negotiated price is the
11 lowest negotiated price offered by any responsible
12 supplier; or

13 (14) otherwise authorized by law.

14 (d) If in the opinion of the agency head bids received
15 after advertising evidence any violation of the antitrust laws
16 he shall refer such bids to the Attorney General for appro-
17 priate action.

18 (e) This section shall not be construed to (A) authorize
19 the erection, repair, or furnishing of any public building or
20 public improvement, but such authorization shall be required
21 in the same manner as heretofore, or (B) permit any con-
22 tract for the construction or repair of buildings, roads, side-
23 walks, sewers, mains, or similar items to be negotiated with-
24 out advertising as required by section 303, unless such con-
25 tract is to be performed outside the continental United States

1 or unless negotiation of such contract is authorized by the
2 provisions of paragraph (1), (2), (3), (9), (10), (11),
3 or (13) of subsection (c) of this section.

4 ADVERTISING REQUIREMENTS

5 SEC. 303. Whenever advertising is required—

6 (a) The advertisement for bids shall be made a sufficient
7 time previous to the purchase or contract, and specifications
8 and invitations for bids shall permit such full and free com-
9 petition as is consistent with the procurement of types of
10 supplies and services necessary to meet the requirements of
11 the agency concerned.

12 (b) All bids shall be publicly opened at the time and
13 place stated in the advertisement. Award shall be made with
14 reasonable promptness by written notice to that responsible
15 bidder whose bid, conforming to the invitation for bids, will
16 be most advantageous to the Government, price and other
17 factors considered: *Provided*, That all bids may be rejected
18 when the agency head determines that it is in the public
19 interest so to do.

20 REQUIREMENTS OF NEGOTIATED CONTRACTS

21 SEC. 304. (a) Except as provided in subsection (b)
22 of this section, contracts negotiated pursuant to section 302
23 (c) may be of any type which in the opinion of the agency
24 head will promote the best interests of the Government.
25 Every contract negotiated pursuant to section 302 (c) shall

1 contain a suitable warranty, as determined by the agency
2 head, by the contractor that no person or selling agency
3 has been employed or retained to solicit or secure such
4 contract upon an agreement or understanding for a commis-
5 sion, percentage, brokerage, or contingent fee, excepting
6 bona fide employees or bona fide established commercial or
7 selling agencies maintained by the contractor for the pur-
8 pose of securing business, for the breach or violation of
9 which warranty the Government shall have the right to
10 annul such contract without liability or in its discretion to
11 deduct from the contract price or consideration the full
12 amount of such commission, percentage, brokerage, or
13 contingent fee.

14 (b) The cost-plus-a-percentage-of-cost system of con-
15 tracting shall not be used, and in the case of a cost-plus-a-
16 fixed-fee contract the fee shall not exceed 10 per centum
17 of the estimated cost of the contract, exclusive of the fee,
18 as determined by the agency head at the time of entering
19 into such contract (except that a fee not in excess of 15
20 per centum of such estimated cost is authorized in any
21 such contract for experimental, developmental, or research
22 work and that a fee inclusive of the contractor's costs and
23 not in excess of 6 per centum of the estimated cost, exclu-
24 sive of fees, as determined by the agency head at the time
25 of entering into the contract, of the project to which such

1 fee is applicable is authorized in contracts for architectural
2 or engineering services relating to any public works or
3 utility project). Neither a cost nor a cost-plus-a-fixed-fee
4 contract nor an incentive-type contract shall be used unless
5 the agency head determines that such method of contract-
6 ing is likely to be less costly than other methods or that
7 it is impractical to secure supplies or services of the kind
8 or quality required without the use of a cost or cost-plus-
9 a-fixed-fee contract or an incentive-type contract. All cost
10 and cost-plus-a-fixed-fee contracts shall provide for advance
11 notification by the contractor to the procuring agency of
12 any subcontract thereunder on a cost-plus-a-fixed-fee basis
13 and of any fixed-price subcontract or purchase order which
14 exceeds in dollar amount either \$25,000 or 5 per centum
15 of the total estimated cost of the prime contract; and a
16 procuring agency, through any authorized representative
17 thereof, shall have the right to inspect the plans and to audit
18 the books and records of any prime contractor or subcon-
19 tractor engaged in the performance of a cost or cost-plus-a-
20 fixed-fee contract.

21 ADVANCE PAYMENTS

22 SEC. 305. (a) The agency head may make advance
23 payments under negotiated contracts heretofore or hereafter
24 executed in any amount not exceeding the contract price
25 upon such terms as the parties shall agree: *Provided*, That

advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other

1 agency head may be made with respect to individual pur-
2 chases and contracts or with respect to classes of purchases
3 or contracts, and shall be final. Except as provided in sub-
4 section (b) of this section, the agency head is authorized
5 to delegate his powers provided by this title, including the
6 making of such determinations and decisions, in his discre-
7 tion and subject to his direction, to any other officer or
8 officers or officials of the agency.

9 (b) The power of the agency head to make the deter-
10 minations or decisions specified in paragraphs (11) and
11 (12) of section 302 (c) and in section 305 (a) shall not
12 be delegable, and the power to make the determinations
13 or decisions specified in paragraph (10) of section 302 (c)
14 shall be delegable only to a chief officer responsible for
15 procurement and only with respect to contracts which will
16 not require the expenditure of more than \$25,000. The
17 power of the Administrator to make the delegations and
18 determinations specified in section 302 (a) shall be delegable
19 only to the Deputy Administrator of the General Services
20 Administration or to the chief official of any principal con-
21 stituent agency of the General Services Administration.

22 (c) Each determination or decision required by para-
23 graphs (10), (11), (12), or (13) of section 302 (c), by
24 section 304 or by section 305 (a) shall be based upon
25 written findings made by the official making such deter-

mination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term “agency head” shall mean the head or any assistant head of any executive agency, and may at the

1 option of the Administrator include the chief official of any
 2 principal constituent agency of the General Services
 3 Administration.

4 (b) The term "supplies" shall mean all property except
 5 land, and shall include, by way of description and without
 6 limitation, public works, buildings, facilities, ships, floating
 7 equipment, and vessels of every character, type and descrip-
 8 tion, aircraft, parts, accessories, equipment, machine tools
 9 and alteration or installation thereof.

10 STATUTES NOT APPLICABLE

11 SEC. 310. The following provisions of law shall not
 12 apply to the procurement of supplies or services (1) by
 13 the General Services Administration, or (2) within the scope
 14 of authority delegated by the Administrator to any other
 15 executive agency:

16 Revised Statutes, section 3709, as amended (41 U. S. C.
 17 5) ;

18 Revised Statutes, section 3735 (41 U. S. C. 13) ;

19 Sections 1 and 2 of the Act of October 10, 1940 (54
 20 Stat. 1109, as amended; 41 U. S. C. 6 and 6a) .

21 TITLE IV—FOREIGN EXCESS PROPERTY

22 DISPOSAL OF FOREIGN EXCESS PROPERTY

23 SEC. 401. Each executive agency having foreign excess
 24 property shall be responsible for the disposal thereof: *Pro-*
 25 *vided*, That (a) the head of each such executive agency
 26 shall, with respect to the disposition of such property, con-

1 form to the foreign policy of the United States; (b) the
2 Secretary of State shall have the authority to use foreign
3 currencies and credits acquired by the United States under
4 section 402 (b) of this Act in order to effectuate the pur-
5 poses of section 32 (b) (2) of the Surplus Property Act
6 of 1944, as amended, and the Foreign Service Buildings
7 Act of May 7, 1926, as amended (including Public Law
8 547, Seventy-ninth Congress (60 Stat. 663)), and for
9 the purpose of paying any other governmental expenses pay-
10 able in local currencies, and the authority to amend, modify,
11 and renew agreements in effect on the effective date of
12 this Act; (c) any foreign currencies or credits acquired
13 by the Department of State pursuant to such agreements
14 shall be administered in accordance with procedures that
15 may from time to time be established by the Secretary of
16 the Treasury and, if and when reduced to United States
17 currency, shall be covered into the Treasury as miscellaneous
18 receipts; and (d) the Department of State shall, except to
19 such extent as the President shall otherwise determine, con-
20 tinue to perform other functions with respect to agreements
21 for the disposal of foreign excess property in effect on the
22 effective date of this Act.

23 METHODS AND TERMS OF DISPOSAL

24 SEC. 402. Foreign excess property may be disposed of

25 (a) by sale, exchange, lease, or transfer, for cash, credit,

1 or other property, with or without warranty and upon such
2 other terms and conditions as the head of the executive
3 agency concerned deems proper; but in no event shall any
4 agricultural commodity, food, or cotton or woolen goods be
5 sold without a condition forbidding their importation into
6 the United States, unless the Secretary of Agriculture deter-
7 mines that such property is in short supply in this country,
8 or (b) for foreign currencies or credits, or substantial bene-
9 fits or the discharge of claims resulting from the compromise
10 or settlement of such claims by any executive agency in
11 accordance with the law, whenever the head of the execu-
12 tive agency concerned determines that it is in the interest
13 of the United States to do so. Such property may be dis-
14 posed of without advertising when the head of the executive
15 agency concerned finds so doing to be most practicable and
16 to be advantageous to the Government. The head of each
17 executive agency responsible for the disposal of foreign
18 excess property may execute such documents for the transfer
19 of title or other interest in property and take such other
20 action as he deems necessary or proper to dispose of such
21 property; and may authorize the abandonment, destruction,
22 or donation of foreign excess property under his control
23 which has no commercial value or the estimated cost of
24 care and handling of which would exceed the estimated
25 proceeds from its sale.

PROCEEDS, FOREIGN CURRENCIES

1 SEC. 403. Proceeds from the sale, lease, or other dis-
2 position of foreign excess property, (a) shall, if in the
3 form of foreign currencies or credits, be administered in ac-
4 cordance with procedures that may from time to time be
5 established by the Secretary of the Treasury, and (b) shall,
6 if in United States currency, or when any proceeds in foreign
7 currencies or credits shall be reduced to United States cur-
8 rency, be covered into the Treasury as miscellaneous re-
9 cepts: *Provided*, That the provisions of section 204 (b)
10 (which by their terms apply to property disposed of under
11 title II) shall be applicable to proceeds of foreign excess
12 property disposed of for United States currency under this
13 title III: *And provided further*, That any executive agency
14 disposing of foreign excess property under this title (1) may
15 deposit, in a special account with the Treasurer of the United
16 States, such amount of the proceeds of such dispositions
17 as it deems necessary to permit appropriate refunds to
18 purchasers when any disposition is rescinded or does not
19 become final, or payments for breach of any warranty, and
20 (2) may withdraw therefrom amounts so to be refunded or
21 paid, without regard to the origin of the funds withdrawn.
22

MISCELLANEOUS PROVISIONS

23 SEC. 404. (a) The President may prescribe such poli-
24 cies, not inconsistent with the provisions of this title, as he
25

1 shall deem necessary to effectuate the provisions of this title,
2 which provisions shall guide each executive agency in carry-
3 ing out its functions hereunder.

4 (b) Any authority conferred upon any executive agency
5 or the head thereof by the provisions of this title may be
6 delegated, and successive redelegation thereof may be author-
7 ized, by such head to any official in such agency or to the
8 head of any other executive agency.

9 (c) The head of each executive agency responsible for
10 the disposal of foreign excess property hereunder may, as
11 may be necessary to carry out his functions under this
12 title, (1) subject to the civil-service and classification laws,
13 appoint and fix the compensation of personnel, and (2)
14 without regard to the civil-service and classification laws,
15 appoint and fix the compensation of personnel outside the
16 continental limits of the United States.

17 (d) Each executive agency responsible for the dis-
18 posal of foreign excess property under this title shall submit
19 a report to Congress in January of each year or at such
20 other times as he may deem desirable relative to its activities
21 under this title, together with any appropriate recom-
22 mendations.

23 (e) There shall be transferred from the Department of
24 State to each other executive agency affected by this title
25 such records, property, personnel, obligations, commitments,

1 and unexpended balances of appropriations, allocations, and
2 other funds, available or to be made available, as the Direc-
3 tor of the Bureau of the Budget shall determine to relate to
4 functions of such agency under this title which have here-
5 tofore been administered by the Department of State.

6 TITLE V—GENERAL PROVISIONS

7 APPLICABILITY OF EXISTING PROCEDURES

8 SEC. 501. All policies, procedures, and directives
9 prescribed—

10 (a) by either the Director, Bureau of Federal Sup-
11 ply, or the Secretary of the Treasury and relating to
12 any function transferred to or vested in the Adminis-
13 trator, by the provisions of this Act;

14 (b) by any officer of the Government under the
15 authority of the Surplus Property Act of 1944, as
16 amended, or under other authority with respect to sur-
17 plus property or foreign excess property;

18 (c) by or under the authority of the Federal
19 Works Administrator or the head of any constituent
20 agency of the Federal Works Agency; and

21 (d) by the Archivist of the United States or any
22 other officer or body whose functions are transferred by
23 title I of this Act.

24 in effect upon the effective date of this Act and not incon-
25 sistent therewith, shall remain in full force and effect unless

1 and until superseded, or except as they may be amended,
2 under the authority of this Act or under other appropriate
3 authority.

4 REPEAL AND SAVING PROVISIONS

5 SEC. 502. (a) There are hereby repealed—

6 (1) the Surplus Property Act of 1944, as amended
7 (except sections 13 (g), 13 (h), 28, and 32 (b)
8 (2)), and sections 501 and 502 of Reorganization
9 Plan Numbered 1 of 1947: *Provided*, That, with respect
10 to the disposal under this Act of any surplus real estate,
11 all priorities and preferences provided for in said Act,
12 as amended, shall continue in effect until 12 o'clock noon
13 (eastern standard time), December 31, 1949.

14 (2) that portion of the Act entitled “An Act mak-
15 ing supplemental appropriations for the Executive Office
16 and sundry independent executive bureaus, boards, com-
17 missions, and offices, for the fiscal year ending June
18 30, 1949, and for other purposes”, approved June 30,
19 1948 (Public Law 862, Eightieth Congress), as
20 amended, appearing under the caption “Surplus prop-
21 erty disposal”;

22 (3) the Act entitled “An Act to authorize the
23 Secretary of War to dispose of material no longer needed
24 by the Army”, approved February 28, 1936 (49 Stat.
25 1147; 10 U. S. C. 1258) ;

(4) the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c) ;

(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311) ;

(6) section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a) ;

(7) the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress) ;

(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1) ;

(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d) ;

(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494) ;

(12) the twenty-sixth paragraph under the head-

ing “National Parks” of the Act of January 24, 1923
(42 Stat. 1215; 16 U. S. C. 9) ;

(13) the fifth paragraph under the heading “Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States” of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546) ;

(14) the proviso contained in the second paragraph under the heading “Library, Department of Agriculture” of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548) ;

(15) the second proviso contained in the second paragraph under the heading “Clothing and camp and garrison equipage” of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271) ;

(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a) ;

(17) the fifth paragraph under the heading “Office of the Chief Signal Officer” of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272) ;

(18) the third proviso contained in the second paragraph under the heading “Office of the Chief Signal Officer” of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273) ;

(19) the fourteenth paragraph under the heading

1 “Smithsonian Institution” of section 1 of the Act of
2 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66) ;

3 (20) the second paragraph under the heading
4 “Government hospital for the insane” of section 1 of
5 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
6 173) ;

7 (21) the second paragraph under the heading
8 “Saint Elizabeths Hospital” of section 1 of the Act of
9 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174) ;

10 (22) the proviso contained in the second para-
11 graph under the heading “Bureau of Supplies and Ac-
12 counts” of the Act of August 22, 1912 (37 Stat. 346;
13 34 U. S. C. 531a) ;

14 (23) the second proviso of the first paragraph
15 under the heading “Bureau of Yards and Docks” of
16 the Act of August 29, 1916 (34 U. S. C. 532) ;

17 (24) the proviso contained in the second paragraph
18 under the heading “Maintenance, Quartermaster’s De-
19 partment, Marine Corps” of the Act of March 4, 1917
20 (39 Stat. 1189; 34 U. S. C. 723) ;

21 (25) the twentieth paragraph under the heading
22 “Bureau of Mines” of section 1 of the Act of July 19,
23 1919 (41 Stat. 200; 40 U. S. C. 118) ;

24 (26) the first sentence of section 5 of the Act of
25 March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

(27) the third paragraph under the heading “Interstate Commerce Commission” of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ; and

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b) : and

(29) the word “proportionate” and the words “including, breaking, shrinkage, transportation, cost of handling, by the Treasury Department, and inspection”, appearing in section 2, of the Act of February 27, 1929 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841) .

(d) Nothing in this Act shall impair or affect any authority of—

(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381) ;

(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto ;

(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act ;

(4) the National Military Establishment with respect to property required for or located in occupied territories ;

(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948 ;

(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force

1 with respect to the administration of the Strategic and
2 Critical Materials Stock Piling Act (60 Stat. 596),
3 and provided that any imported materials which the
4 authorized procuring agency shall certify to the Com-
5 missioner of Customs to be strategic and critical ma-
6 terials procured under said Act may be entered, or
7 withdrawn from warehouse, free of duty;

8 (7) the Secretary of State under the Foreign Serv-
9 ice Buildings Act of May 7, 1926, as amended:

10 (8) the Secretary of the Army, the Secretary of
11 the Navy, and the Secretary of the Air Force with
12 respect to the administration of section 1 (b) of the
13 Act entitled "An Act to expedite the strengthening of
14 the national defense", approved July 2, 1940 (54
15 Stat. 712) ;

16 (9) the Secretary of Agriculture or the Depart-
17 ment of Agriculture under (A) the National School
18 Lunch Act (60 Stat. 230) ; (B) the Farmers Home
19 Administration Act of 1946 (60 Stat. 1062) ; (C) the
20 Act of August 31, 1947, Public Law 298, Eightieth
21 Congress, with respect to the disposal of labor supply
22 centers, and labor homes, labor camps, or facilities ; (D)
23 section 32 of the Act of August 24, 1935 (49 Stat.
24 774), as amended, with respect to the exportation and
25 domestic consumption of agricultural products; or (E)

1 section 201 of the Agricultural Adjustment Act of
2 1938 (52 Stat. 36) or section 203 (j) of the Agri-
3 cultural Marketing Act of 1946 (60 Stat. 1082) ;

4 (10) the Secretary of Agriculture, Farm Credit
5 Administration, or any farm credit board under section
6 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
7 with respect to the acquisition or disposal of property ;

8 (11) the Housing and Home Finance Agency, or
9 any officer or constituent agency therein, with respect
10 to the disposal of residential property, or of other prop-
11 erty (real or personal) held as part of or acquired for
12 or in connection with residential property, or in connec-
13 tion with the insurance of mortgages, loans, or savings
14 and loan accounts under the National Housing Act ;

15 (12) the Tennessee Valley Authority with respect
16 to nonpersonal services, with respect to the matters re-
17 ferred to in section 201 (a) (iv) , and with respect to any
18 property acquired or to be acquired for or in connection
19 with any program of processing, manufacture, produc-
20 tion, or force account construction: *Provided*, That the
21 Tennessee Valley Authority shall to the maximum extent
22 that it may deem practicable, consistent with the fulfill-
23 ment of the purpose of its program and the effective
24 and efficient conduct of its business, coordinate its opera-

tions with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450) ;

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation

1 necessary or appropriate for the carrying out of any
2 program of such Commission authorized by law, or
3 nonadministrative activities incidental thereto: *Pro-*
4 *vided*, That the United States Maritime Commission
5 shall to the maximum extent that it may deem prac-
6 ticable, consistent with the fulfillment of the purposes
7 of such programs and the effective and efficient con-
8 duct of such activities, coordinate its operations with
9 the requirements of this Act, and the policies and regu-
10 lations prescribed pursuant thereto;

11 (17) except as provided in subsections (a) and
12 (b) hereof, any other law relating to the procurement,
13 utilization, or disposal of property: *Provided*, That,
14 subject to, and within the scope of authority conferred on
15 the Administrator by other provisions of this Act, he
16 is authorized to prescribe regulations to govern any pro-
17 curement, utilization, or disposal of property under any
18 such law, whenever but only to the extent he deems such
19 action necessary to effectuate the provisions of title II;
20 nor

21 (18) for such period of time as the President may
22 specify, any other authority of any executive agency
23 which the President determines within one year after
24 the effective date of this Act should, in the public
25 interest, stand unimpaired by this Act.

1 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

2 AUTHORITY

3 SEC. 503. (a) There are hereby authorized to be ap-
4 propriated such sums as may be necessary to carry out the
5 provisions of this Act.

6 (b) When authorized by the Director of the Bureau
7 of the Budget, any Federal agency may use, for the dis-
8 position of property under this Act, and for its care and
9 handling pending such disposition, any funds heretofore or
10 hereafter appropriated, allocated, or available to it for pur-
11 poses similar to those provided for in sections 201, 202,
12 203, and 205 of this Act.

13 SEPARABILITY

14 SEC. 504. If any provision of this Act, or the applica-
15 tion thereof to any person or circumstances, is held invalid,
16 the remainder of this Act, and the application of such pro-
17 vision to other persons or circumstances, shall not be affected
18 thereby.

19 EFFECTIVE DATE

20 SEC. 505. This Act shall become effective on July 1,
21 1949, except that (1) the provisions of section 402 (a)
22 (2) shall become effective on June 30, 1949; (2) the
23 provisions of section 502 (a) (29) shall become effective
24 on July 1, 1950.

81ST CONGRESS
1ST Session

H. R. 4754

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

By Mr. HOLIFIELD

MAY 18, 1949

Referred to the Committee on Expenditures in the
Executive Departments

29, 1930, prior to April 1, 1948, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (H. R. 997) to extend the benefits of section 1 (c) of the Civil Service Retirement Act of May 29, 1930, as amended, to employees who were involuntarily separated during the period from July 1, 1945, to July 1, 1947, after having rendered 25 years of service but prior to attainment of age 55, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (H. R. 20) to amend the act of August 1, 1947, as amended, to authorize the creation of 10 professional and scientific positions in the headquarters and research stations of the National Advisory Committee for Aeronautics was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LANGER. On behalf of the Senator from Maine [Mr. BREWSTER] I object.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 33) suspending legislative budget pending further study, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. WILLIAMS. Over.

Mr. HAYDEN. Let the resolution go over.

The PRESIDING OFFICER. Objection is heard, and the resolution will be passed over.

BILL PLACED AT THE FOOT OF THE CALENDAR

The bill (S. 266) removing a limitation affecting the pension, compensation, or retirement pay payable on account of an incompetent veteran without dependents during hospitalization, institutional or domiciliary care, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Reserving the right to object, may we have an explanation of the bill?

Mr. TAFT. Mr. President, I do not see the distinguished Senator from Georgia or the distinguished Senator from Maine, but this bill was approved by the Finance Committee. I suggest that it be placed at the foot of the calendar and called again when we reach that point.

The PRESIDING OFFICER. The bill will be temporarily passed over and will be placed at the foot of the Calendar.

Mr. HENDRICKSON. That is quite satisfactory.

SIMPLIFICATION OF PROCUREMENT, USE, AND DISPOSAL OF GOVERNMENT PROPERTY, ETC., BILL PASSED OVER

The bill (S. 1809) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCLELLAN. Mr. President—

Mr. LANGER. I object, on behalf of the senior Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. The bill will be passed over.

Mr. McCLELLAN. Mr. President, I was asking for recognition. I wanted to be heard on this bill. Did the Senator from North Dakota ask that it go over?

Mr. LANGER. I withhold the objection.

Mr. McCLELLAN. Mr. President, I understood that the Senator from Indiana wished to have time in which to study the bill. I talked with him about it. I was going to ask that it go over. I want to make a brief statement about the bill. The bill was reported by the committee on May 9. It is a measure of considerable importance, a bill to undertake the reorganization and to transfer agencies of the Government. It is one that each Member of the Senate should endeavor to study. I desire to make a brief statement about the bill.

Mr. President, the need for an efficient, businesslike system for procurement, property and records management in the Federal service has long been recognized. The Commission on Organization of the Executive Branch and students of government have recognized this and have recommended that centralized direction be placed over supply, records management, and the operation and maintenance of public buildings.

The pending bill, Senate bill 1809, Federal Property and Administrative Services Act, was drafted by the staff of the Committee on Expenditures in the Executive Departments, and the legislative counsel, in collaboration with representatives of the Federal Works Agency, General Accounting Office, Bureau of the Budget, and other interested agencies.

I may say, Mr. President, that it undertakes generally to follow the recommendations of the Hoover Commission with respect to those agencies.

The bill proposes to establish a General Services Agency at the head of which will be an administrator appointed by the President by and with the advice and consent of the Senate. The Administrator will be directly responsible to the President and will be vested with broad jurisdiction over procurement of supplies and materials, property management, including identification and cataloging of material on hand, disposition of surplus property, records management, and other related activities which affect the internal operation of all departments and agencies of the Federal Government.

The bill further provides for transferring the Bureau of Federal Supply and

the Office of Contract Settlement from the Department of the Treasury, the Federal Works Agency, National Archives, and the affairs of the War Assets Administration, for liquidation, to the General Services Agency.

It is believed that substantial savings will be effected by combining the functions and activities of these agencies into a central service organization which will have clear-cut lines of authority over Federal property because permanent legislation is contained in this bill for the disposition of personal property, including the donation of certain property for educational purposes, and at the same time permit decentralization over the disposition of certain properties such as agricultural products, surplus vessels, and other material to those agencies best suited or which have specific legislative authority to make such disposition.

No changes will be made with respect to the disposition of foreign excess properties; however, this bill does provide for the repeal of the Surplus Property Act of 1944, as amended, except sections 13 (a), 13 (g), 13 (h), and sections 28 and 32 (b) (2). Under the terms of this act the priorities and preferences for transferring surplus real property to educational institutions, to public health and hospital institution, surplus airport facilities to States and political subdivisions, property for public recreational facilities, and the foreign scholarship program will be retained as permanent legislation.

Mr. President, I am not insisting that the bill be passed today. I invite the attention of the Senate to it so that Senators may familiarize themselves with it. I hope, Mr. President, that the bill will pass on the next call of the calendar.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

The clerk will call the next bill on the calendar.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 36) favoring the suspension of deportation of certain aliens, was announced as next in order.

Mr. MORSE. Mr. President, I should like an explanation of the resolution.

Mr. McCARRAN. Mr. President, under existing law, the Attorney General is authorized to suspend deportations. When he suspends them he must report the suspensions to the Congress. If the Congress, by action of both Houses, agrees to the suspension, it goes into effect. We have been passing similar measures right along. I am not advocating them. I look upon them with a great deal of concern, and have so looked upon them; but we are constantly receiving these suspended deportations from the Department of Justice. The Committee on the Judiciary must act on them, must either report them to the Senate or let them die. We have been reporting them to the Senate, and the Senate has been passing them. I do not like the law or the way it operates,

but it is the law, and what I have stated is all we can do about it.

Before the committee reports to the Senate a suspension of deportation it is screened as well as possible, with such facilities as are at hand. Each individual whose deportation is suspended is considered. These are persons who are in this country and who are subject to deportation. Their deportation is suspended by action of the Department of Justice, under a specific law passed by the Eightieth Congress. Therefore on each call of the calendar one of these lists will be found. In this instance, I think approximately 60 deportations are suspended.

THE PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 36) favoring the suspension of deportation of certain aliens, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-2657830, Alaimo, Gaspere (alias Antony Curto).

A-6392821, Arroz, Benjamin Floro.

A-4375449, Garibay-Barron, Pedro.

A-5945921, Barden, Bernard James.

A-7534849, Barden, Else Elisabeth (nee Wielputz).

A-7584852, Barden, Ingrid Elisabeth.

A-6761384, Barry, Catherine Maxwell Geraldine (nee Catherine Maxwell Geraldine Fitzgerald).

A-6258481, Bick, Norbert Simon.

A-4783695, Biggest, Bernadine Margaret (nee Mathers).

A-2073409, Bing, Kwan Shun, or Mrs. Lawrence Jong.

A-6318466, Burke, Lilian Victoria (nee Mortley).

A-3043399, Caramanis, Joseph Kyriacos, or John Kyriacos Caramanis.

A-3077041, Cardona, George.

A-3542405, Ching, Mrs. Wah Chong, or Lin Shu Ying (Grace) (alias Grace L. Ching).

A-4583006, Crist, Maria Ragnhild (nee Maria Ragnhild Hindersson).

A-1127535, Cuschieri, Anthony Joseph.

A-910203, Damsleth, Bjorn Robert.

A-6311802, Damsleth, Randi (nee Clifton).

A-1481188, Di Meglio, John or Giovanni.

A-3712017, Di Nardo, Gennaro (alias Jerry Di Nardo).

A-3530018, Farla, Maria Simplicio, or Maria Souto Machado.

A-6481284, Fisher, Lena Elleen (nee Dodd).

A-3686479, Ford, Newton Isaac, or Newton I. Ford or Newton Becker or Leonard Lee Isaac Newton Ford.

A-6458413, Fretwell, Glenda Joyce.

A-6765814, Genet, Micheline Marguerite Louise Marie (nee Calsat).

A-6594937, Genet, Jean Marie Gabriel.

A-6552977, Hansen, Desley Helen.

A-6552978, Hansen, Robin Naomi.

A-6228065, Henry, Muriel (formerly Muriel Rose and Muriel Harris).

A-4917143, Hinkkuri, Veikko Armas.

A-4040790, Hoffmann, Zoltan Alex, or Zoltan A. Hoffman or Zoltan Alex Hoffman.

A-6344960, Joachim, John.

A-3399584, Lacys, Elsa (nee Sturm).

A-4942450, Langfeldt, Paul Johan.

A-4497419, Leslie, Mabel (nee Kellett).

A-3438538, Murphy, Patrick Joseph, or Joseph Murphy.

A-6286929, Ochoa, Maria Concepcion Quintero de (nee Quintero).

A-7540761, Paneral y Bertini, Camilo Orestes Rafael.

A-6322618, Parker, Martha (alias Martina RIVERA Lopez).

A-4181269, Perez, Arturo Garcia, or Arturo Perez.

A-1208046, Pernice, Antonio.

A-4734405, Ptucka, Stephan, or Steve Ptucka.

A-6396323, Racelis, Elisa.

A-6396324, Racelis, Mary.

A-6457162, Racelis, Ramon.

A-2676821, Redka, John.

A-2098470, Renner, Florence May (nee Bailey).

A-2454691, Renteria, Jose Anibal.

A-3475471, Roetto, Gemma, or Gemma Minarelli.

A-5800711, Sang, Wong, or Sang Wong.

A-3081085, Sartori, Linda (nee Ret).

A-3980008, Schlander, Arthur George.

A-1236239, Sestan, Arthur, or Stephen (Stephan) Voronoff.

A-1025773, Spongla, Frederico Dominick, or Fred Spongla.

A-2387594, Szedula, Barbara (nee Kiefer).

A-2387595, Szedula, Jacob.

A-3497501, Tomczak, Antonina, or Antonette Tomczak (nee Sobczak).

A-1204388, Van Den Berghe, Jeanette.

A-1204387, Van Den Berghe, John.

A-1281125, Wagner, Hartie Mary Pretoria Thompson (nee Thompson).

A-6562827, Wardlow, Ada Rodriguez, or Ada de Las Mercedes Rodriguez Pego de Wardlow.

A-2084639, Ylannatos, George G.

NORTHWEST MISSOURI FAIR ASSOCIATION

The bill (S. 1054) for the relief of Northwest Missouri Fair Association of Bethany, Harrison County, Mo., was announced as next in order.

MR. DONNELL. I object.

MR. KEM. Mr. President, will the Senator withhold his objection, so that I may make a short explanation of the bill?

MR. DONNELL. I withhold my objection.

MR. KEM. Mr. President, the purpose of the bill is to reimburse the Northwest Missouri Fair Association in the sum of \$25,000 for the value of buildings destroyed by fire on September 13, 1931. On the day before the fire occurred the premises were occupied by a detachment of field artillery of the United States Army moving from Fort Leavenworth, Kans., to Fort Des Moines, Iowa. The possession of the fair grounds were delivered to the Army, quoting from the statement on behalf of the fair association appearing on page 5 of the report, "under a promise that the property would be returned to us in as good or better condition on the following Monday than when received on Saturday, September 12."

The occupation occurred on Saturday. On Sunday a baseball game was arranged between the members of the armed force and a team from a neighboring town. While the baseball game was in progress a fire broke out in the grandstand on the fair grounds. It spread very rapidly to a larger building known as the Liberal Arts Building. The officer in charge immediately ordered the evacuation of the troops, with their fieldpieces. They moved fieldpieces including trucks and tractors over the hose which was laid down to fight the fire damaging the hose and making it impossible to continue efforts to put out the fire. As a result, as

I understand, substantially all the buildings of the fair association were destroyed.

The purpose of this bill is to reimburse the fair association.

THE PRESIDING OFFICER. Is there objection?

MR. DONNELL. Mr. President, I ask that the bill go over.

THE PRESIDING OFFICER. The bill will be passed over.

JAMES A. GORDON

The bill (S. 1080) for the relief of James A. Gordon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That James A. Gordon, of Columbia, S. C., is hereby relieved of liability for payment to the War Department of the sum of \$861.25, such sum having been charged against the said James A. Gordon by the War Department as a result of the theft of public funds in his custody, without fault or neglect on his part, while he was on active duty as a second lieutenant in the Army of the United States.

DIXIE MARGARINE CO.

The bill (S. 1086) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn., was announced as next in order.

MR. HENDRICKSON. Mr. President, I ask that the bill go over.

MR. McKELLAR. Mr. President, will the Senator withhold his objection for a moment?

MR. HENDRICKSON. I gladly withhold the objection.

MR. McKELLAR. Mr. President, this is not a margarine tax bill, but it involves a case where the particular company involved paid a tax for a number of years, and later another company brought suit for the imposition of the same kind of a tax. The Supreme Court held that the tax was absolutely illegal, and awarded judgment in favor of the taxpayer.

Mr. President, this case is exactly on all fours with the one decided by the Supreme Court. This company paid an illegal tax, and it is so stated in the report. I hope the Senator will withdraw his objection, because it is a claim which the Government really should pay.

THE PRESIDING OFFICER. Is there objection?

MR. HENDRICKSON. Mr. President, this claim does not seem to have been filed in time. There seems to be evidence in the record itself of neglect and carelessness in filing it. I should like to look into the matter a little further.

MR. McKELLAR. That will be entirely satisfactory.

THE PRESIDING OFFICER. Objection being heard, the bill will be passed over.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

THE PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

THE LEGISLATIVE CLERK. A bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

MAY 24, 1949.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. DAWSON, from the Committee on Expenditures in the Executive
Departments, submitted the following

R E P O R T

[To accompany H. R. 4754]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 2, title II, sec. 206, strike the period and add “, and cataloging.”

Page 3, line 5, strike “-” after the word “public”.

Page 3, line 23, strike “i” in parenthesis and insert “1”.

Page 3, line 25, strike “ii” in parenthesis and insert “2”.

Page 5, line 3, strike “i” in parenthesis and insert “1”.

Page 5, line 8, strike “ii” in parenthesis and insert “2”.

Page 7, line 16, strike the word “Agency”, and insert in lieu “Administration”.

Page 8, line 24, after the word “Administration” insert “,”.

Page 13, line 21, after the word “public”, strike “-”.

Page 14, line 9, after the word “public”, strike “-”.

Page 15, line 13, strike “35d” and insert “354”; strike “)” and insert “, 41 U. S. C. (7b))”.

Page 18, line 8, after the word “value”, strike “,”.

Page 19, line 2, after the word “property”, insert “,”.

Page 21, line 15, after the word “usable”, insert “and necessary”.

Page 22, line 2, after “non”, strike “-”.

Page 38, line 8, strike the word “Agency” and insert in lieu “Administration”.

Page 50, line 14, strike "III" and insert in lieu "IV".

Page 54, line 7, after "(6)" insert "The first and second provisos contained in the fourth paragraph under the heading "Division of Supply" in".

Page 57, line 5, after the parenthesis, strike ": and".

Page 57, line 6, strike out entire subsection "(29)".

Page 60, line 17, strike "iv" in parenthesis and insert "4".

Page 62, between lines 10 and 11, insert new subsection, "(17) Central Intelligence Agency;"

Page 62, line 11, strike figure "17" in parenthesis and insert "18".

Page 62, line 21, strike figure "18" in parenthesis and insert "19".

Page 63, line 21, strike figure "402" and insert in lieu "502".

Page 63, line 23, strike "502 (a) (29)," and insert in lieu "201 (e)."

DEVELOPMENT IN FIELD OF PROPERTY MANAGEMENT

The need for an improved and efficient property management program, dealing with the problems facing the Federal Government in this respect, is becoming ever more apparent. The House with the passage of a bill in 1943 (H. R. 2795) took the initial step toward the recognition and solution of this complex phase of government. However, the Congress deferred action on that legislation, owing to the pressing necessity of disposal of war-surplus goods without dislocating the national economy. Instead the Surplus Property Act of 1944 was passed. This act had for its major purpose the handling of our war-generated surplus, with a limited lifetime of 3 years following the date of cessation of hostilities. This act will terminate on December 31, 1949.

The President, by special message dated March 5, 1948, recommended to the Congress renewed consideration of legislation in the field of property management. With this in mind, the Federal Works Administrator was directed to draft for evaluation a bill to effect such purpose. This bill, termed "The Federal Property Act of 1948" (S. 2754, 80th Cong.) was unanimously reported out by the Senate Committee on Expenditures in the Executive Departments, and would have established a sound system for property management. This bill was never taken up by the Senate prior to adjournment because of the pressure of other matters.

In February of this year, the Federal Works Administrator, with the approval of the Director of the Bureau of the Budget, acting on behalf of the President, again presented a bill drafted for the accomplishment of a uniform property management system. This bill, H. R. 2781, "The Federal Property Act of 1949," effectively parallels the recommendations, for the most part, of the Commission on Organization of the Executive Branch of the Government. (As reported out of House and Senate Committees on Expenditures, these bills became H. R. 4754 and S. 1809, respectively.) The framework of this legislation establishes a General Services Administration, headed by an Administrator, answerable directly to the President, who would concern himself with the procurement, utilization, and disposal of Government property. In this way, great strides can be made in increased efficiency and economy of operation of the Federal Government.

GENERAL STATEMENT

Six years ago the confused state of legislation dealing with Government property management was described as follows:

Efficient executive management of the Government's great and growing investment in equipment, materials, and supplies, and the control of the Congress over the use and disposition of such property are seriously handicapped by the lack of comprehensive legislation. The essential foundation of management standards in determining what and what quantities should be bought, and similar standards to govern utilization are conspicuous by their absence. Although the accrual of surpluses is an inevitable feature of the active operations of Government, the determination and release of such surpluses is entirely within the discretion of thousands of widely scattered executives * * *. Even under normal conditions the results of such a situation are apparent in excessive stocks, unnecessary duplication, lack of maximum utilization, unauthorized augmentation of congressional appropriations by free transfer of cash equivalents from one to another, heavy direct losses to the Treasury, and waste in other forms. (1943 report of the House Committee on Expenditures in the Executive Departments on H. R. 2795, quoted with approval in 1944 in the report of this committee on the same bill.)

Leading off its report on an Office of General Services, the Commission on Organization of the Executive Branch of the Government has this to say on the subject:

Three major internal activities of the Federal Government now suffer from a lack of central direction. These are supply, records management, and the operation and maintenance of public buildings. These activities are carried on in several places within the executive branch with varying degrees of adequacy. While, as a general rule, centralized direction is lacking, there are some instances of the exact reverse of this situation in which operations are centrally controlled down to the smallest detail.

To the general public, the "housekeeping" activities listed above are little known, but unless they are properly administered, the executive branch cannot be effectively managed.

In the second part of the same report, relating to Federal supply activities, the Commission starts by saying:

The Federal Government runs one of the greatest supply businesses in the world. It is spending more than \$6,000,000,000 a year for new material, supplies, and equipment for the regular activities of the civilian and military agencies. In addition, since 1941, the Federal Government has been engaged in enormous purchases for export in connection with lend-lease and foreign-aid programs. It makes huge purchases of strategic and critical materials from foreign sources, and imports them for the national stock pile.

The Federal Government also has in storage, in the continental United States, military and civilian inventories valued at \$27,000,000,000. No one knows accurately the total worth of Government personal property currently being used, but its million or more motor vehicles, for example, have a value of at least \$2,000,000,000. The Government also pays out more than \$1,000,000,000 yearly for transportation of property, and \$440,000,000 in salaries of the nearly 150,000 employees working in supply operations.

Also we find grouped in the new General Services Administration, as recommended by the Commission, the following:

(a) Bureau of Federal Supply of the Treasury Department (which presently has limited over-all responsibility for the procurement of personal property, and for the supply and utilization of such property, together with essential, cooperative endeavors in the cataloging aspects of personal property);

(b) National Archives Establishment (which now has limited responsibility in records management field, principally concerned with the custody, maintenance, and preservation of historical records);

(c) Federal Works Agency functions in their entirety (including its many service characteristics). These service functions consist generally of the design and

construction of public buildings, the disposal of surplus real property, the conduct (in the Public Roads Administration) of the Federal-aid road program and the provision of roads for other agencies, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the National Industrial reserve, disaster relief, the administration of certain functions of the water-pollution-control program, etc. Management of the general services of the Government cannot be conducted economically and efficiently unless these responsible units are brought under a common direction and control. Of special note for inclusion in this are activities of the Federal Works Agency in providing and managing most office and warehousing facilities for the Government. Every study of the problem of storing, space, and records management has concluded that these factors are interdependent;

(d) Transfer for liquidation of the affairs of War Assets Administration (which under present law, would be liquidated on June 30, 1949, and its functions scattered among several agencies);

(e) Certain contract settlement functions (which are now reposing in the Treasury Department by Reorganization Plan No. 1 of 1947, would be transferred to the General Services Administration).

To implement the foregoing, and with the recognition that this is a relatively new field for the Government, the bill authorizes the Administrator to transfer, regroup, and distribute functions within the Administration for most effective accomplishment of the purposes of the act.

In conformity with recommendations of the Commission on Organization of the Executive Branch on uniform nomenclature (No. 21, Rept. No. 1 on General Management), the committee has changed the Public Buildings Administration to the Bureau of Public Buildings and the Public Roads Administration to the Bureau of Public Roads.

The Commission, in its report on the Department of Commerce, has also recommended that the Bureau of Public Roads be transferred to that Department as an important component of the new alignment of transportation services (Recommendation No. 7). The committee has, however, withheld action on such transfer until some determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce and on the proposed consolidation of transportation agencies.

Likewise, the bill also transfers the Bureau of Community Facilities to the new General Services Administration. The Hoover Commission has recommended (Recommendation No. 4 on the Department of the Interior) that community services be centralized in general building construction services. In the bill, the President is given authority to continue the Bureau of Community Facilities within the new agency for such time as he may determine, and the Congress should consider this problem further in connection with related reorganizations.

The bill provides, generally, for uniform policies and methods of procurement, supply, and related functions. Yet, while fixing the management responsibility, this legislation provides operating machinery flexible enough to the extent of coping with the needs for specialized service. It is felt that in this way great savings can be achieved by the Government through the elimination of competition among executive agencies for like articles in the same markets, unnecessary purchasing, lack of quantity purchases, and other inefficiencies. In this respect, the Secretary of Defense is authorized, unless the President otherwise directs, to exempt the National Military Establishment from this centralized procurement program, when he deems such exemption to be required in the interest of national

security. The purchase and disposal of farm products under programs conducted by the Department of Agriculture for purposes of price support or stabilization are exempted from central control.

It is well at this point to bear in mind that the term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the heads thereof; the term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of the Federal Government, as determined by the Administrator.

Under the provisions of this act the maximum utilization of excess property is the responsibility of the General Services Administrator; he shall prescribe policies and methods to effect this and make provision for the expeditious transfer of excess property among the Federal agencies. In keeping with this, the bill requires continuing surveillance by every executive agency of the property under its control, and sets up a uniform system for the identification and classification of property, and for the standardization of contract forms, specifications, and procedures. It also further requires executive agencies to maintain reasonable inventory levels and to establish adequate inventory controls. Losses in the past have been suffered by the Government through the purchasing of new articles by one agency when serviceable articles of the same type were available in the inventories of other agencies and excess to their needs. This bill is designed to prevent this circumstance from reoccurring. The keystone to reduce expenditures in this regard and future economical operations in Government is a sound and comprehensive cataloging system for use by all agencies. To this end, acting under a joint, signed agreement, the civilian and military agencies are establishing a uniform Federal supply catalog system, designed to identify and classify personal property under the control of Federal agencies. Because of the imperative need for such cataloging, the committee believes that this cooperative civilian-military program for the establishment of a supply cataloging system should be pressed to completion with all possible speed. Further, this legislation authorizes the Comptroller General to prescribe principles and standards for property accounting, based on the needs and requirements of each agency. Also in this phase, the Comptroller General is empowered to audit all types of property accounts and transactions.

Again in line with recommendation of the Commission on Government Organization, the bill provides a central system relating to traffic management, transportation, and other public-utility services for the use of executive agencies.

As most of the objectives of the Surplus Property Act of 1944, as amended, have largely been attained, the bill, in harmony with existing law, dispenses with all priorities and preferences on personal property. The committee believes, however, that, from time to time, there will become surplus to the Government, books, equipment, or other supplies, the sale of which would realize little monetary return but which would be usable by and of great benefit to our schools and colleges. The bill therefore authorizes the Administrator, in his discretion, to donate such surplus property for educational purposes upon the recommendation of the Federal Security Administrator. The committee believes that the authority vested in the Federal Security

Administrator is broad enough to authorize him to redelegate his authority to some other person designated by him, and in the field of education, for example, the appropriate designee would be the Commissioner of Education. This is believed in keeping with the best management practices of clear-cut delineations of line and staff authority and centralization of responsibility.

Surplus real property is in a different situation. That relating to municipal airports, public parks, historic monuments, and for recreational purposes is set up as permanent legislation. As to all other surplus real property the committee has retained existing priorities and preferences with respect to the disposition of such surplus real property only until 12 o'clock noon (eastern standard time) December 31, 1949.

Title III extends to the General Services Agency the principles of the Armed Services Procurement Act of 1947, with appropriate modifications principally designed to eliminate provisions applicable primarily to the military. The Administrator of General Services under certain circumstances is also permitted to delegate to any other executive agency, not named in the Armed Services Procurement Act, authority, under certain circumstances, to make purchases and contracts pursuant to the provisions of title III. This title provides for the modernization of procurement methods and procedures. It clarifies and preserves the formal advertising method of procurement, but at the same time, under proper control, authorizes negotiation in certain classes of cases. This title (of a procedural and not of a substantive nature) is designed to cope with future as well as presently existing situations, and to constitute a comprehensive code of procurement methods and procedures.

The committee believes that title III is substantially in accord with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its Report on the Organization and Management of Federal Supply Activities, that legislation be enacted to apply the principles of the Armed Services Procurement Act of 1947 to buying by all agencies, this authority, however, to be lodged in the President (recommendation No. 2 p. 40, of the Combined Report on Office of General Services, and Supply Activities). Title III is substantially in accord with the report unanimously adopted by the Procurement Policy Board of the War Production Board in the fall of 1945 and in accord with legislation drafted by a special committee of the Procurement Policy Board.

Under the administration of the Department of State, most of the surplus property generated in foreign areas as a result of World War II has either been sold or has been committed for sale. The remaining small inventory is widely dispersed and of specialized or technical character; in most cases the cost of transportation back to this country probably would exceed either the use value to the Government or the sales return in the commercial market. Title IV of the bill deals with this problem and provides that the agencies responsible for such property shall dispose of it where located abroad, taking into consideration the foreign policy of the United States. As a practical matter, this means that the armed services will dispose of surplus property located in foreign countries pursuant to policies established by the Secretary of State.

As previously stated, existing authority of the National Archives Establishment with respect to records management is considerably limited. The committee believes that even this limited authority will, however, enable the Administrator of General Services to make a beginning in this most important field. The Commission on Organization felt that this aspect of Government deserved extensive study, devoting to it an entire task force report, and in appendix A (Task Force Report on Records Management, January 1949) setting up a proposed draft of a separate bill aimed at this special problem. In light of this, Congress should, after appropriate study, enact new and more comprehensive legislation for records management in keeping with the recommendation of the Commission on Organization of the Executive Branch of the Government.

The committee feels very strongly that the economies and increased efficiencies resulting directly from consolidation of agencies are and should be only a beginning in the savings which will accrue to the Federal Treasury under the bill. Many millions more can be and must be pared from expenditures for property management through merger of common services and the resultant reduction of overhead and elimination of duplicative activities. Efficient administration of well-drawn programs, based on careful studies, can produce maximum economies in Government. In the message of the President, dated May 9, 1949, in discussing the analyses and recommendations for reorganization of the executive branch, as urged by the Commission on Organization, it was stated that legislation to achieve that end, represents "a challenge to the achievement of better Government based on the fundamentals of sound organization and management." It is the feeling of this committee that the bill, H. R. 4754, is a milestone on the path of economical and more efficient governmental administration and service.

SECTION-BY-SECTION ANALYSIS

PREAMBLE

The bill commences with a short title styled the "Federal Property and Administrative Services Act of 1949," following which is a table of contents.

Section 2. Declaration of policy

This is very brief and states the intent of the Congress to provide for the Government an economic and efficient system for (a) the procurement and supply of personal property and nonpersonal services and performance of related functions; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management. Other sections of the bill implement items (a), (b), and (c) by consolidating the present scattered property functions and by providing a new uniform charter for property management. Item (d) is implemented only by the transfer of the National Archives Establishment to the General Services Administration. Additional legislation will be necessary to establish an effective system of records management. Such a system, however, should be built in conjunction with the National Archives Establishment, and should be administered in the General Services Agency, so that this transfer is a logical first step toward its creation.

Section 3. Definitions

Several definitions require special note. "Property" includes all interests in property except the public domain and the major classes of naval vessels. "Excess property" means any property under the control of any Federal agency not required for its needs and responsibilities as determined by the head thereof. "Surplus property" means any property which has been declared excess by a particular Federal agency and which, after a survey of the needs of other Federal agencies, is determined by the Administrator of General Services no longer to be required by the Federal Government as a whole.

TITLE I. ORGANIZATION

Section 101. General Services Agency

(a) *Establishment of General Services Administration.*—This subsection provides for the establishment in the executive branch of the Government of a new agency to be known as the General Services Administration.

(b) *Administrator of General Services.*—This subsection provides that the new agency shall be headed by a new officer of the Government, entitled "Administrator of General Services," to be appointed, after the enactment of this legislation, by the President by and with the advice and consent of the Senate.

(c) *Deputy Administrator.*—This subsection provides for a Deputy Administrator to be appointed by the Administrator. The Deputy Administrator will perform such functions as the Administrator may designate and be Acting Administrator during the absence or disability of the Administrator and (unless the President designates another officer to serve as Administrator) in the event of a vacancy in that office.

(d) *Performance of functions pending first appointment.*—This subsection provides that, pending the first appointment of an Administrator, the President may designate the Federal Works Administrator last in office to perform temporarily the functions of the Administrator of General Services.

Section 102. Transfer of the Bureau of Federal Supply and contract-settlement functions to the General Services Administration

(a) *Transfer of the Bureau of Federal Supply.*—This subsection provides for transferring to the General Services Administration the functions, records, and personnel of the Bureau of Federal Supply, now in the Department of the Treasury, and for vesting in the Administrator of General Services the functions of Treasury personnel relating to the Bureau of Federal Supply. The Bureau of Federal Supply has been in the Department of the Treasury since 1933 and exercises central procurement functions for the executive branch of the Government. Its functions are not essentially related to the primary fiscal and tax functions of the Department of the Treasury, so that the Bureau may readily be severed from that Department without impairment of the Department's efficiency. In the General Services Administration the Bureau will supplement the property-service functions of that agency and will facilitate more economical property management in the Government. Functions of the Secretary of the Treasury, referred to in clause (3), include all functions vested in

him by law but performed by the Bureau for him under appropriate delegation: For example, stock-piling under the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and functions of over-all supervision and review of the performance of Bureau functions incidental to his position as head of the Department.

(b) *Transfer of contract-settlement functions.*—This subsection provides for transfer to the Administrator of General Services of the functions, transferred to the Secretary of the Treasury a little over 2 years ago, of the Director of Contract Settlement and the Office of Contract Settlement created by the Contract Settlement Act of 1944 (58 Stat. 649; 41 U. S. C. 101–125). These functions relate to the establishment of uniform policies and procedures for the settlement of terminated war contracts by Government contracting agencies and, because of the almost complete liquidation of the contract-termination program, are now routine and insignificant. Such little work as has been recently required in connection with this program has been carried on in the Treasury primarily by the Bureau of Federal Supply. It would be in the interest of good management to have this Bureau continue to wind up that program. This subsection likewise transfers from the Treasury to the General Services Administration the Appeal Board and the Contract Settlement Advisory Board also created by the Contract Settlement Act of 1944. This transfer is for housekeeping purposes only. The Secretary of the Treasury does not, nor will the Administrator of General Services, review decisions of the Appeal Board which will perform its functions under conditions and limitations prescribed by law.

(c) *Functions retained in the Treasury.*—This subsection permits the Bureau of the Budget to retain in the Treasury Department certain minor functions of the Bureau of Federal Supply, for example, as to printing, which properly pertain to the Treasury Department.

Section 103. Transfer of affairs of the Federal Works Agency

(a) *Transfer of constituents and functions of the Federal Works Agency.*—This subsection transfers to the General Services Administration the functions, records, and personnel of (1) the Public Buildings Administration (to be known as the Bureau of Public Buildings) and (2) the Public Roads Administration (to be known as the Bureau of Public Roads), and all other functions, records, and personnel of (3) the Federal Works Agency. The functions of the Federal Works Administrator, the Commissioner of Public Buildings, and the Commissioner of Public Roads are transferred to the Administrator of General Services.

(b) *Abolition of Federal Works Agency.*—This subsection abolishes the Federal Works Agency and the offices of Federal Works Administrator and Assistant Federal Works Administrator.

(c) *Continuation of Bureau of Community Facilities.*—This subsection provides that the President may continue the Bureau of Community Facilities of the Federal Works Agency as a constituent of the General Services Administration for such time as he may determine.

Section 104. Records management: Transfer of the National Archives

(a) *Transfer of the National Archives establishment.*—This subsection transfers to the General Services Administration the functions, records, and personnel of the National Archives establishment, and to the Administrator of General Services the functions of the Archivist

of the United States (except his functions with respect to the disposal of records and his membership in the bodies specified in subsection (b)), and of the Director of the Division of the Federal Register. The Archivist is to be appointed by the Administrator.

(b) *Transfer of National Archives Council and other bodies.*—This subsection transfers to the General Services Administration the National Archives Council, the National Historical Publications Committee, the National Archives Trust Fund Board, the Board of Trustees of the Franklin D. Roosevelt Memorial Library, and the Administration Committee of the Federal Register, and provides that the authority of the Administrator of General Services shall not extend to those bodies or their functions.

Section 105. Transfer for liquidation of the affairs of the War Assets Administration

This section provides for the liquidation of the affairs of the War Assets Administration as an agency and transfers its remaining functions, and its records, property, personnel, obligations, and commitments to the General Services Administration. It also permits the retention of certain special assistants and other experts now holding appointments without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, and their appointment to similar positions.

The retention in employment and the status of other personnel transferred from War Assets Administration to the General Services Administration will be governed by applicable provisions of existing law.

Section 106. Redistribution of functions

Under this section the Administrator of General Services, in order effectively to perform the functions vested in him under the terms of this bill, is authorized to regroup and distribute within the Administration functions transferred to or vested in him by the bill, to make appropriate transfers of funds in connection therewith, and to report such transfers of funds to the Director of the Bureau of the Budget.¹

Such reporting is necessary in order to assure that funds are expended for the purpose for which they were appropriated, but it is not intended to give the Director of the Bureau of the Budget veto power over the Administrator so far as the organization of the Administration is concerned.

Section 107. Transfer of funds

This section transfers to the General Services Administration for activities under the bill the appropriations, allocations, or other funds available to the Department of the Treasury, the War Assets Administration, the Federal Works Agency, and the National Archives establishment for the functions transferred.

Section 108. Status of transferred employees

This section provides that, subject to other provisions of this title relating to personnel, employees transferred shall be deemed to be employees of the General Services Administration so as not to require reappointment.

¹ Addendum.

Section 109. Compensation of Administrator and other officials

This section provides that, pending the effective date of other statutes establishing their salaries, the President shall fix a suitable rate of compensation for the Administrator and Deputy Administrator of General Services, the Commissioners of Federal Supply, Public Buildings, Public Roads, and the Archivist, commensurate with the responsibilities and duties of these respective offices.

TITLE II. PROPERTY MANAGEMENT

This deals with the subject of property management within the United States.

Section 201. Procurement, warehousing and related activities

(a) *Centralized control.*—This subsection authorizes the Administrator of General Services, where it is advantageous to the Government, to regulate the policies and methods of executive agencies with respect to the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public-utility services, and repairing and converting. The Administrator may himself procure such personal property and nonpersonal services and perform such related functions, may consolidate and operate or arrange for the operation of suitable warehouses, repair shops, and similar facilities, and may for the use of executive agencies represent such agencies in negotiations with carriers and other public utilities, and in proceedings before regulatory bodies involving carriers and other public utilities. The provisions with respect to traffic management, management of public-utility services, and representation are not intended to abrogate any authority of the Department of Justice. This authority over procurement matters vested in the Administrator is a restatement of authority concurrently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new, and that the relationship with the National Military Establishment is somewhat changed. The Secretary of Defense is authorized, unless the President shall otherwise direct, to exclude procurement for the National Military Establishment from control of the Administrator where the Secretary deems exclusion in the best interest of national security. Combat equipment and other items of peculiar importance to the armed forces could thus readily be excluded by the Secretary of Defense. At the same time, the Administrator would be in a better position to serve the armed forces more fully in meeting their other supply requirements, and he can appeal to the President if he thinks the Secretary of Defense has wrongly excluded him from any field.

(b) *Services to the legislative and judicial branches, and mixed-ownership corporations.*—This subsection provides that the Administrator shall, as far as practicable, upon the request of any agency in the legislative or judicial branches of the Government, or of any mixed-ownership Government corporation, or of the District of Columbia, purchase, warehouse, and distribute personal property and nonpersonal services to meet their needs. Government economy will

be furthered by allowing these organizations, supported in whole or in part by the Federal Government, to take advantage of savings in procuring supplies which the Administrator can provide through the operation of a central procurement system.

It is believed that, with the exceptions provided in the bill, the system of centralized procurement, strengthened by the statutory support which the bill provides, will prove its efficiency and economy in the years to come. This does not mean that every item must be procured by a central agency, but only that such an agency must be responsible for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances.

(c) *Application of trade-in allowances.*—This subsection authorizes executive agencies to exchange or sell personal property and apply the trade-in allowance or proceeds of sale in whole or part payment for property acquired. This is an expansion of authority given under a number of existing statutes to specific agencies or with respect to specific types of property. While these statutes are repealed by section 502 (a) (8) to (28), the language here is intended to be sufficiently broad to preserve all such existing authority. For example, the Department of Agriculture may continue, subject, of course, to any regulations of the Administrator, to exchange publications without monetary appraisal or detailed listing as it has done in the past under that portion of the act of March 4, 1915 (5 U. S. C. 548), which is repealed by section 502 (a) (14).

(d) *Limitation on open-market purchases and sales.*—This subsection amends section 3709 of the Revised Statutes, as amended, by raising from \$100 to \$500 the amount or value to which an agency is restricted in consummating a so-called open-market purchase or sale; i. e., without advertising for bids.

(e) *Elimination of surcharge.*—This subsection would eliminate the present surcharge levied on the price of commodities purchased with money of the general supply fund, through which the Bureau of Federal Supply provides supplies and services to the executive agencies. It is in accordance with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its report on the Organization and Management of Federal Supply Activities (Recommendation No. 14, p. 49, of the Combined Report on Office of General Services, and Supply Activities). It is intended that the prices charged shall be fixed by the Administrator in amounts estimated to represent two items of cost to the Administrator; namely, the purchase price of the supplies or services and transportation thereof. The Administrator will be able to use a fixed-price system or such other system as may be suitable. Administrative expenses in connection with such purchases will be charged to funds to be appropriated in the usual manner. With respect to items such as breakage, shrinkage, and other inventory loss, it is intended that losses in the general supply fund on account of such items will be covered by appropriations.

Section 202. Property utilization

This section deals with the most important phase of property management, which is continuing use by the Government of the Government's property.

(a) *Over-all direction of Administrator of General Services.*—This subsection fixes upon the Administrator of General Services the over-all responsibility to prescribe the policies and methods to promote the greatest use in the entire executive establishment of property which is excess to the needs of one particular establishment and also to provide for the transfer of such property among Federal agencies.

(b) *Responsibility of executive agencies to survey property.*—This subsection imposes upon each executive agency the responsibility, in the first instance, (1) to maintain adequate inventory controls and accountability systems for its property (see also sec. 205 (b)), (2) to survey its property continuously to determine which is excess to its needs and promptly report excess property to the Administrator, (3) to care for such excess property, and (4) transfer or dispose of such property in accordance with authority delegated and regulations prescribed by the Administrator.

(c) *Responsibility of executive agencies to use property.*—This subsection similarly imposes upon each executive agency the responsibility in the first instance, to reassign property among activities within such agency, to transfer its excess property to other agencies, and to obtain for its use property which is excess to the needs of other agencies.

(d) *Transfer of property within National Military Establishment.*—This subsection permits the free transfer of excess property among the departments of the National Military Establishment under existing provisions of law and procedures defined by the Secretary of Defense.

(e) *Terms for transfer of excess property.*—This subsection generally requires that transfers of excess property between Federal agencies shall be at the fair value thereof as determined by the Administrator of General Services. Exceptions are made in the case of a transfer for general distribution among Federal agencies or for disposal as surplus property or where such transfer without reimbursement is otherwise authorized by recent legislations. "Transfers for redistribution to other Federal agencies" refers to instances where property is turned over to the Bureau of Federal Supply for redistribution rather than transferred direct for the use of another agency. When the redistribution occurs the transfer should be at fair value.

(f) *Transfer of property within an agency.*—Under this subsection transfers of property among activities financed by different appropriations to the same agency must be reported to the Director of the Bureau of the Budget, and, in turn, reported to the Congress.

(g) *Assignment of office and warehouse space.*—This subsection clarifies and strengthens existing law by authorizing the Administrator of General Services to assign and reassign space in excess real property to any Federal agency for office, storage, or related facilities. He may obtain reimbursement for such assignment in the absence of an appropriation available to him therefor. It is expected that operations under this subsection can and should materially lessen the present leasing of space for Government use in private office buildings.

(h) *Abandonment or donation of property.*—This subsection authorizes the abandonment, destruction, or donation to public bodies of property having no commercial value, or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

Section 203. Disposal of surplus property.

(a) *Responsibility of General Services Administrator.*—This subsection provides that the General Services Administrator shall have supervision and direction over the disposition of property surplus to the needs of the entire Government.

(b) *Care and handling of surplus property.*—This subsection provides that the care and handling of surplus property pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or any executive agency designated by the Administrator. An agency other than the one in possession, however, cannot be designated to perform care and handling or disposal without its consent.

(c) *Terms of disposal.*—This subsection provides that any agency disposing of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and may execute such documents for the transfer of the property as may be necessary.

(d) *Title of transferees.*—This subsection is designed to protect the interest of bona fide grantees or transferees. It makes instruments purporting to transfer title or other interest in surplus property under this act, which are executed by an executive agency, conclusive evidence of compliance with the provisions of the act in the absence of notice of defects.

(e) *Advertising for bids.*—This subsection provides that surplus property disposals may be made without regard to provisions of existing law for advertising, unless otherwise determined by the Administrator, until December 31, 1949. Thereafter, advertising and competitive bids will be required in disposing of such amount of surplus property as is not sold by that date.

(f) *Adjustments for contractor inventories.*—This subsection provides that contractors or subcontractors with executive agencies may be authorized to retain or dispose of their contractor inventories.

(g) *Consultation with Secretary of Agriculture.*—This subsection requires the Administrator to consult with the Secretary of Agriculture in formulating policies for the disposal of surplus agricultural commodities, surplus food processed from agricultural commodities, and surplus cotton and woolen goods, and further requires that such policies shall be formulated to prevent surplus agricultural commodities or surplus food products from being dumped on the market in such manner as to disrupt the market prices for agricultural commodities.

(h) *Disposal of agricultural commodities.*—This subsection requires the Administrator to transfer to the Department of Agriculture without charge any surplus agricultural commodities, foods, or cotton or woolen goods, whenever the Secretary determines it necessary in carrying out his responsibilities with respect to price support or stabilization, and further requires that the receipts from disposals by the Department of Agriculture shall be deposited pursuant to authority available to the Secretary of Agriculture and the net proceeds of sales of property so transferred shall be credited pursuant to the provisions relating to proceeds in section 105 (b). It also provides that, except when sold for export, surplus farm commodities so transferred may not be sold in quantities in excess of or at prices

less than those relating to such commodities when sold by the Commodity Credit Corporation.

(i) *Disposal of vessels for merchant use.*—This subsection establishes the United States Maritime Commission as the statutory disposal agency for surplus vessels of 1,500 gross tons or more, which it determines to be merchant vessels or capable of conversion to merchant use. Such vessels are to be disposed of in accordance with the Merchant Marine Act of 1936, as amended, and other laws relating to the sale of such vessels.

(j) *Donations for educational purposes.*—This subsection authorizes the Administrator of General Services, in his discretion, to donate surplus personal property usable and necessary for educational purposes as determined by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services, either direct or through State departments of education, to tax-supported and nonprofit school systems, schools, colleges, and universities. Provision is also made for allocation by the Secretary of Defense, for transfer by the Administrator to educational activities of special interest to the armed services, such as maritime academies or military or naval preparatory schools, of surplus property of the National Military Establishment which the Secretary determines to be usable and necessary for such activities. It is expected that the Federal Security Administrator will delegate to the United States Commissioner of Education and Surgeon General of the United States, as the case may be, authority to make determinations and allocations under his general supervision, and that the Secretary of Defense will similarly delegate to an appropriate official his authority under this subsection.

(k) *Conditions of transfer of surplus property.*—Under the Surplus Property Act of 1944, as amended, surplus property has been transferred to States and political subdivisions thereof, and to tax-supported or nonprofit educational and medical institutions for specified uses, subject to various conditions and reservations. This section would permit the head of the interested Government agency, subject to disapproval by the Administrator of General Services, to enforce compliance with such conditions or reservations, to reform or correct the instruments of transfer by which such conditions or reservations are imposed, and to grant releases (including conveyances by quitclaim deed, in the case of real estate) from such conditions and reservations. Such releases are to be conditioned upon findings that the property no longer serves the purpose for which the transfer was made, or that release will not prevent accomplishment of the purpose of such transfer, and upon such other conditions as may be necessary to protect or advance the interests of the United States.

(l) *Abandoned property.*—This subsection authorizes the Administrator to take possession of abandoned and other unclaimed property on Government premises, to determine when title thereto vested in the United States, and to utilize, transfer, or otherwise dispose of such property. Former owners of such property will have 3 years from the date of vesting of title in the United States to file claim and if such claim is found proper, are to be paid the proceeds realized from the disposition of the property, or, if the property is used or transferred, its fair value as of the time title vested in the United States as deter-

mined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator. It is contemplated that if such property is utilized or transferred its fair value will be paid by the receiving agency in line with the provisions of section 202 (e) and that such amounts and proceeds realized from dispositions will be covered into the Treasury as miscellaneous receipts pursuant to section 204 (a). Under other authority in the bill appropriations may be made for payment of any claims presented by the rightful owners.

Section 204. Proceeds from transfer or disposition of property

(a) *Deposit of proceeds into miscellaneous receipts.*—This subsection requires all proceeds from the transfer of excess property to a Federal agency or from the sale, lease, or other disposition of surplus property to be covered into the Treasury as miscellaneous receipts with the exceptions noted in subsections (b), (c), and (d).

(b) *Crediting of reimbursable funds.*—This subsection provides that in cases where the property was acquired by funds either not appropriated from the general fund of the Treasury, or appropriated therefrom and by law reimbursable from assessments, taxes, or other revenues, the net proceeds of the disposition or transfer of such property shall be credited to the reimbursable fund or appropriation or paid to the Federal agency declaring such property excess. It further provides that the proceeds shall be credited to miscellaneous receipts if the agency declaring the property excess shall deem it uneconomical or impracticable to ascertain the amount of net proceeds.

(c) *Refunds to purchasers.*—This subsection provides that Federal agencies disposing of surplus property may deposit in a special account with the Treasury whatever amounts they deem necessary to permit refunds to purchasers when any disposition is rescinded, or for breaches of warranty, and to withdraw the amounts so to be refunded or paid. Funds received from any specific contract are not earmarked in the special deposit account, but are commingled with all other receipts from sales by the Office of the Foreign Liquidation Commissioner. The language which provides for withdrawal of "amounts, so to be refunded or paid, without regard to the origin of the funds withdrawn" permits refunds to be made from any money remaining in the special deposit account whether or not the money collected under the particular contract remains in the special deposit account or has been transferred to general fund revenues as miscellaneous receipts.

(d) *Proceeds from contractors' sales.*—This subsection recognizes that the contractual provisions authorizing the proceeds of sales or property to be credited to price or cost of the work covered by the contract, are controlling and are not subject to the requirements of the act relating to covering proceeds into the Treasury as miscellaneous receipts.

(e) *Preservation of security.*—This subsection authorizes the Administrator to preserve and manage any mortgage, lien, or other interest retained as security in the disposition of surplus property, and authorizes him to enforce and settle the rights of the Government with respect thereto.

Section 205. Policies, regulations, and delegations

(a) *Presidential policies.*—By reason of the impact of this legislation upon all agencies in the executive establishment, this subsection authorizes the President, if he deems it advisable, to prescribe over-all policies and directives which shall govern the Administrator of General Services and executive agencies in operations under this act.

(b) *Property accounting systems.*—This subsection requires the Comptroller General, after considering the needs and requirements of executive agencies, to prescribe principles and standards of accounting for property, to cooperate with the Administrator of General Services and the executive agencies in developing property accounting systems, to approve satisfactory systems, to examine agency systems to determine the extent of compliance with principles, standards, and approved systems, and to report to the Congress cases of failure to comply therewith or adequately to account for property. ✓

This is more flexible and vests more authority in the operating agencies than the recent Independent Offices Appropriations Acts, which prohibit the several agencies there named from installing or maintaining any property accounting system not prescribed or approved by the Comptroller General. The committee urges the greatest cooperation between the Comptroller General and other agencies in order that operating needs and costs may be fully considered. This section applies to all executive departments and agencies, with the exception, as provided in section 502 (c), of corporations and agencies subject to the Government Corporation Control Act.

(c) *Regulations of the Administrator.*—This subsection requires the Administrator to prescribe regulations for the effectuation of his functions under the act, and also requires the head of each executive agency to issue such orders and directives as are necessary to carry out such regulations.

(d) *Delegations of authority.*—Under this subsection the Administrator may redelegate his authority, excepting, however, the authority to issue policy regulations, the authority to make reorganizations within the General Services Administration, and as otherwise provided in the act (see sec. 307 (b)).

(e) *Designation of other agencies.*—So as to provide the greatest use of existing personnel and facilities within established agencies, this subsection authorizes the Administrator to designate other executive agencies to perform various procurement, utilization, or disposal functions with the proviso that any designation or assignment of functions or delegation of authority shall be made only with the consent of the agency concerned or upon direction of the President. This proviso would not apply to the authority of the Administrator to prescribe regulations and the duty of agency heads to implement them under subsection (c).

(f) *Transfer of personnel and funds.*—When any designation is made under subsection (d) the Administrator may, under this subsection, transfer funds and personnel to the affected executive agency.

(g) *Advisory committees.*—This subsection authorizes the Administrator to establish advisory committees to advise with him in carrying out his functions. Experience has demonstrated the value of such committees to Government officers where Government programs

affect closely business and industry. Specific statutory authorization is necessary because of the prohibitions against unauthorized boards and commissions in title 31, United States Code, section 673, volume 35, Statutes at Large, page 1027. Compare also title 5, United States Code, section 83, volume 37, Statutes at Large, page 124, and title 31, United States Code, section 551, volume 49, Statutes at Large, page 19. Because of the better control over the membership and activities of these committees which is possible when they are established pursuant to statute, it would be advisable to provide specifically for such committees even apart from these laws. It is expected by this committee that membership on these bodies will be drawn, as may be appropriate, from industry, labor, and the general public.

(h) *Consultation with other agencies.*—This subsection makes it mandatory for the Administrator to advise and consult with affected Federal agencies.

Section 206. Surveys and standardization

(a) *Surveys, supply catalog, and contract forms.*—This subsection authorizes the Administrator to survey Government property and property management practices, to cooperate with executive agencies in the establishment of reasonable inventory levels and report excessive stocking to the Congress and the Budget Bureau, to establish and maintain a uniform Federal supply catalog system, and to prescribe standardized purchase and contract forms, procedures, and specifications. Making surveys, requiring reports concerning Government property, and establishing inventory levels, with due regard for the requirements of agencies concerned, will obviously promote better supply and property management practices, and indeed performance of these functions is indispensable if the powers under sections 201 and 202 are to be effectively exercised. The Administrator's reports on excessive stocking will enable the Appropriations Committees and Budget Bureau examiners to make suitable reductions in appropriations and estimates. The authority to standardize Government purchase and contract forms, procedures, and specifications has been in effect and in use for many years and is demanded by industry to make its relations with Government easier. It is confusing and costly, for example, to have contract with terms, forms, and conditions for a supply item with one agency differing in meaning and effect from one for the same kind of item with another agency. The committee expects that the Administrator will receive the full cooperation of executive agencies in connection with the development and preparation of standardized forms and standard purchase specifications. Existing control over the standardization of the Government construction contract forms and leases is continued in effect by provision in section 502 (b).

A uniform Federal supply catalog system, which identifies and classifies personal property under the control of Federal agencies, is essential for a well-managed Federal supply system so that there may be a common supply language among all parties to a transaction. The catalog will ultimately mean large savings to the Government through reducing inventories of parts and supplies. Without such a catalog, identical items are carried in stock under different designations, swelling inventories to needless size. This cannot be avoided

until each item is described, classified, and given a number for identification, so that duplications can be spotted at once. The disposal of surplus Government personal property will thus likewise be speeded. Provision is made for coordinating catalog activities with those of the National Military Establishment.

This subsection makes it clear that the National Military Establishment and the Bureau of Federal Supply will continue to cooperate toward the development of a Federal catalog system, as requested by the President, in accordance with the agreement (appendix A) signed by them. It is the consensus of the committee that the project should be pressed to completion with all possible speed.

(b) *Catalog and specifications mandatory.*—Due to the savings resulting from common use of the uniform supply catalog system and of standard purchase specifications, this subsection requires Federal agencies to use them, when prescribed by the Administrator, except as he shall otherwise provide.

(c) *Audit of property accounts.*—This subsection requires the General Accounting Office to audit all types of property accounts and transactions, such audit to be conducted when practicable at the site of the property or where records of the executive agencies are kept, and include but not limited to, an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of the duty to account for property.

Section 207. Applicability of antitrust laws

This section requires any executive agency in beginning negotiations for the disposal of any plant or other property costing \$1,000,000 or more to seek advice of the Attorney General, and it shall be the duty of the Attorney General to advise the executive agency whether the proposed disposition of the property would tend to create or maintain a situation inconsistent with the antitrust laws. The executive agency must assist the Attorney General by furnishing him any requisite information it may possess essential to the Attorney General's determination. This section also provides that nothing in the act shall modify or limit the applicability of the antitrust laws to persons who acquire property under the provisions of the act.

In one respect the section is broader than a similar provision in the Surplus Property Act of 1944. It requires a determination by the Attorney General as to whether the proposed disposal would tend to create or maintain a situation inconsistent with the antitrust laws, while under existing law the determination is whether the proposed disposition will violate the antitrust laws.

Section 208. Employment of personnel

(a) *Civil-service laws.*—Employment of personnel is required by this subsection to be subject to the civil-service and classification laws.

(b) *Consultants.*—As an exception to the foregoing, this subsection grants to the Administrator limited authority to procure the temporary service of experts and consultants.

(c) *Officers of other agencies.*—The principal purpose of this subsection is to authorize the Administrator to utilize commissioned officers in the armed services with the consent of the head of the agency concerned.

Section 209. Civil remedies and penalties

(a) *Liability of Government employees.*—This subsection exempts officers and employees of the Government disposing of property under this act from liability with respect to such disposition, except for their own fraud, and from liability for the collection of any purchase price determined to be uncollectible. This provision is necessary because of the wide discretion which must be permitted persons charged with disposition under circumstances calling for swift action, and the tremendous volume of property covered by the act.

(b) *Civil penalties for fraud.*—This subsection deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities or conceal or misrepresent material facts, or act with intent to defraud the United States, or who enter into an agreement or conspiracy, or cause other persons to do any of the foregoing. The United States is given the option of selecting among three different measures of damages—

1. Any person engaged in such activities can be sued for the sum of \$2,000 for each such act, plus twice the amount of the damage sustained by the United States, plus the cost of suit.

2. The United States may recover from such person the amount of consideration paid by it to such person, or twice the amount of consideration which such person agreed to give the United States.

3. The United States may keep the property acquired by reason of the above-described fraud, plus the consideration given to it for that property.

Section 210. Reports to Congress

This section requires the Administrator to submit to Congress in January of each year, and at such other times as he may deem it desirable, a report regarding the administration of his functions under the act, together with any recommendations for amendments which he may deem appropriate and a citation of laws becoming obsolete by reason of the passage or operation of the act.

TITLE III. PROCUREMENT PROCEDURE

This title follows in structure, and is identical in language with, the Armed Services Procurement Act, with a few appropriate changes and omissions.

Section 301. Declaration of purpose

This section states that the purpose of title III is to facilitate the procurement of supplies and services.

Section 302. Application and procurement methods

(a) This subsection makes the provisions of title III applicable to purchases and contracts for supplies or services made by the General Services Administration either for its own use or otherwise, including centralized procurement. By delegation the Administrator may authorize any other civilian executive agency to use the procedure set forth in title III when such agency is designated to perform a central procurement function. In addition, authority to use the procedures set forth in title III may be delegated by the Administrator to another civilian executive agency in other cases where the Administrator

determines that such delegation is advantageous to the Government in terms of economy, efficiency, or national security. It is required that the Administrator's determination in such other cases set forth the circumstances upon which the determination is based. The terms "economy" and "efficiency" will be broad enough to cover cases where authority is delegated to negotiate contracts under 302 (c) (5) and 302 (c) (10) of this title. This title does not confer upon any civilian executive agency any vested right to receive such delegation. It is expected that such power of delegation will not be exercised indiscriminately but rather will be used with care and discretion. It is also expected that the Administrator will make periodic reviews to determine whether the authority so delegated has been properly used, and that he will either take such action as may be necessary to correct any misuse or will withdraw the delegation. After the Administrator has made such delegation he shall give notice thereof to the General Accounting Office.

(b) This subsection states the policy that a fair proportion of the total purchases and contracts shall be placed with small business concerns and further provides that notice of intent to negotiate shall be published in certain cases.

(c) Initially, this subsection reaffirms the basic principle that purchases and contracts shall be made by advertising. Negotiation is made permissible in certain excepted cases, however, to provide flexibility in Government procurement.

(1) This paragraph would permit automatic and immediate transition from more rigid peacetime advertising procedures to a completely flexible system if the President or the Congress declares the existence of a national emergency.

(2) This provision is an adaptation of a portion of section 3709 of the Revised Statutes as amended by section 9 (a) of the act of August 2, 1946 (60 Stat. 809; 41 U. S. C. 5). Whenever urgency requires an immediate purchase this exception would be available irrespective of whether the emergency could or should have been foreseen.

(3) This paragraph extends to the General Services Administration the power to negotiate if the aggregate amount involved does not exceed \$1,000. However, no delegation of such authority may be made to other executive agencies under this paragraph for purchases or contracts for supplies or services in excess of \$500 unless such purchasing or contracting is for centralized procurement.

(4) This provision permitting negotiation for personal or professional services is an adaptation of the exception from advertising provided by section 3709 of the Revised Statutes, as amended, hereinabove referred to.

(5) This paragraph would permit negotiation of contracts for technical assistance, expert study, and the application of specialized knowledge to be performed by any university, college, or other educational institution. This would cover matters which might not clearly qualify as experimental, developmental, or research work under paragraph (10) of this section.

(6) Under this paragraph if supplies or services are to be procured and used outside the limits of the United States and its possessions the contracts or purchases may be negotiated. In such cases it is frequently impracticable or uneconomical to advertise.

(7) Due to the technical nature, special characteristics, and differing qualities of medicines and medical supplies it is sometimes extremely difficult if not impossible to describe adequately in detailed specifications the exact characteristics of qualities needed. In such cases the need for negotiation is clear.

(8) Where supplies are purchased for authorized resale, the purchasing agency must accommodate the brand preference or the quality preference of the organization requesting the purchase. This paragraph therefore provides authority to negotiate such purchases.

(9) This paragraph provides for negotiation where it is impracticable to secure competition and places upon the agency concerned the maximum responsibility for decisions as to when it is impracticable. It is intended that this paragraph should be construed liberally.

(10) The very nature of a research and development contract does not ordinarily lend itself to formal advertising. This paragraph therefore provides that contracts for experimental, developmental, or research work or for the manufacture or furnishing of supplies for experimentation, development, research, or test may be negotiated and provides also for periodic reports to the Congress of action taken under this paragraph.

(11) It is provided that in cases where the purchase or contract should not be publicly disclosed negotiation may be employed. In such cases public disclosure through advertising would clearly be adverse to the interests of the Government.

(12) This paragraph permits negotiation of contracts for technical equipment in order to assure standardization of equipment and interchangeability of parts when such standardization and interchangeability is necessary in the public interest. It is intended that this authority should be used in special situations or in particular localities and such provision has been therefore added to the language as it appears in section 2 (c) (13) of the Armed Services Procurement Act of 1947. The paragraph would protect in every way possible the principles of competition and antimonopoly consistent with the occasional need for such standardization, and section 307 (b) of this title provides that the agency head may not delegate his responsibility for making any of the determinations required under this paragraph.

(13) Permits negotiation for supplies or services when it is determined that bid prices after advertising are not reasonable either as to all or some part of the requirements or have not been independently arrived at in open competition. It is designed to cope with cases including those where all bids received are too high, although not actually identical or apparently collusive. The committee believes that this paragraph will be most useful to break collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased, and similar other practices. Notification of the intention to negotiate after such advertising and reasonable opportunity to negotiate must be given to each responsible bidder and also the negotiated price must be the lowest negotiated price offered by any responsible supplier. This paragraph is a modification of paragraph 2 (c) (15) of the Armed Services Procurement Act of 1947. The modification will remove a restriction which in cases such as sudden upward market fluctuations might make it impossible to secure the needed supplies.

(14) This provision would preserve the authority to negotiate contracts conferred by other permanent legislation, for example, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U. S. C. 98-98h). This paragraph also has the effect of permitting negotiation under any relevant law which may be subsequently enacted whether said law is general or special legislation.

(d) The immediate furnishing of evidence of possible violations of the antitrust laws to the Department of Justice as required by this subsection will facilitate appropriate action where violations exist and will have a valuable moral effect on bidders. Compliance with this paragraph is not to be construed, however, as a condition precedent before exercise of the authority conferred by this title.

(e) For clarity this subsection provides that section 302 does not authorize or change the existing requirements for authorization for the erection or repair of buildings, roads, sidewalks, or similar items.

Section 303. Advertising requirements

(a) This section would establish broad standards for advertising, reserving appropriate discretion in the agency. It is considered both unnecessary and unwise to prescribe detailed and restrictive requirements, and it is believed that such matters should be left to be dealt with by regulation. This section provides that advertising shall be so conducted as to secure such full and free competition as is consistent with the procurement of types of supplies and services needed.

(b) This subsection provides for the public opening of bids and reaffirms the principles that the award shall be made to the responsible bidder whose bid is most advantageous to the Government, price and other factors considered, and that the Government may reject all bids when such action is deemed advisable. The question as to whether a particular bidder is a responsible bidder requires sound business judgment and involves evaluation of the bidder's experience, facilities, technical organization, reputation, financial resources, and other factors and a broad discretion is accordingly reserved to the agency with respect to the making of such determination.

Section 304. Requirements of negotiated contracts

(a) The right to use the most suitable type of contract is a necessary and inseparable adjunct to the right to negotiate and this subsection therefore permits negotiated contracts to be of any type which in the opinion of the agency head will promote the best interests of the Government, except as provided in subsection (b). Authority to negotiate contracts in the first instance carries with it equal authority to negotiate subsequent changes in the terms of negotiated contracts, and such amendments may also be of such type as the agency head believes will promote the best interests of the Government. This subsection also provides that every negotiated contract shall contain a suitable warranty against contingent fees.

(b) This subsection prohibits the cost-plus-a-percentage-of-cost system of contracting and prescribes maximum fees in connection with cost-plus-a-fixed-fee contracts. Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract may be used unless it is determined that such method is likely to be less costly than other methods or that it is impracticable to secure supplies or services of the kind or quality without the use of such type of contract.

Section 305. Advance payments

(a) This permits the agency head to make advance payments under negotiated contracts upon adequate security if the agency head determines such payments to be in the public interest or in the interest of the national defense and necessary and appropriate in order to procure the required supplies or services. This authority is essential in periods of emergency and in peacetime it is often the only way in which it can be made possible for a small-business concern to handle Government contracts. Often institutions of learning, research laboratories, inventors, and similar contractors who perform most of the experimental, re-research, and developmental contracts need advance payments because they do not have sufficient funds to finance or are unwilling to finance such contracts completely out of their own resources. The power to make advance payments is permissive only, and under section 307 (b) of this title may not be delegated by the agency head. The committee expects the civilian agencies to be very sparing in the making of advance payments in normal times and to use the authority, even in times of national emergency, only when it is thoroughly justified.

(b) The additional form of security by way of lien which is provided for by this subsection is a permissive feature which may be very useful, especially in the event that a joint bank account, a controlled account, or a special bank account is established in connection with an advance payment.

Section 306. Waiver of liquidated damages

This section permits the Comptroller General, in his discretion, upon proper recommendation by the agency concerned, to remit sums due the Government under contract terms providing for the assessment of liquidated damages for a delay in performance. This will permit the Comptroller General to meet those situations in which the strict application of the liquidated damages provisions would be inequitable either in whole or in part and regardless of whether timely notice is given with respect to the delay.

Section 307. Administrative determinations and delegations

(a) This subsection provides that the determinations and decisions to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts and that such determinations and decisions shall be final. It allows delegation by the agency head except in those cases designated in subsection (b) of this section. The determinations and decisions so made will not be made subject to invalidation or challenge by the Comptroller General or the courts. However, the broader the power or the more important the decision or determination, the higher the level at which the decision or determination will be made.

(b) This subsection prohibits the agency head from delegating the power to make the determinations or decisions specified in paragraphs 11 and 12 of section 302 (c), which concern, respectively, contracts which should not be publicly disclosed and standardization of technical equipment and in section 305 (a), concerning the making of advance payments. This subsection also restricts the power of the agency head to make the decision or determinations specified in paragraph (10) of section 302 (c) which concerns experimental, developmental, or

research contracts. Furthermore, under this subsection the Administrator's power to delegate to another civilian executive agency the right to use the authority provided under title III can be delegated by the Administrator only to the Deputy Administrator of the General Services Administration or to the chief official of any principal constituent agency of the General Services Administration. It is believed that such power to confer authority upon another civilian agency should be exercised only at a high level within the General Services Administration.

(c) As a further safeguard this subsection requires that determinations or decisions concerning research and development contracts, contracts which should not be publicly disclosed, standardization of technical equipment, and negotiation after advertising, the type of contract to be used and the making of advance payments shall be based upon written findings, that these findings shall be final, and shall be available within the agency for at least 6 years after making such determination. Furthermore, it provides that a copy of the findings shall be furnished to the General Accounting Office with the contract.

(d) Data with respect to negotiation is required to be preserved in the agency for 6 years following final payment on the contract except where negotiation is pursuant to public exigency, a dollar amount, for personal or professional services, for services to be rendered by an educational institution, or for supplies or services which are to be purchased and used outside the limits of the United States or its possessions.

Section 308. Statutes continued in effect

This section provides that contracts executed under this title shall not be exempt from the provisions of the Walsh-Healey Act, the Davis-Bacon Act, or the 8-hour law by reason of their having been entered into by negotiation.

Section 309. Definitions

(a) This subsection defines the term "agency head" as used in title III to mean the head or an assistant head of any executive agency, and provides that the term may at the option of the Administrator include the chief official of any principal constituent agency of the General Services Administration. This is deemed salutary in order to reserve the power of determination and decision at an adequately high level, and at the same time to designate the officials intended to be covered.

(b) This subsection defines supplies to include all property except land, and to include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, vessels, aircraft, parts, accessories, equipment, machine tools, and alteration or installation thereof. These illustrations are intended only as examples and the committee has attempted to meet present and future contingencies.

Section 310. Statutes not applicable

This section provides that the following acts shall not be applicable to the procurement of supplies or services by the General Services Administration:

Revised Statutes, section 3709, as amended, which concerns formal advertising;

Revised Statutes, section 3735, which prohibits the making of contracts for "stationery or other supplies" for more than 1 year; and

Sections 1 and 2 of the act of October 10, 1940, which set forth certain specific exemptions from Revised Statutes, section 3709, which are not in harmony with this title.

These statutes would also be suspended for procurement made by another civilian executive agency, under proper delegation of authority made by the Administrator and solely within the scope of that authority, and such suspension would be limited to the extent and within the purview of the authority thus delegated.

TITLE IV. FOREIGN EXCESS PROPERTY

Section 401. Disposal of foreign excess property

This section generally provides that, except where commitments exist under previous agreements, all excess property located in foreign areas shall be disposed of by the owning agency. The head of the agency in question is directed to conform to the foreign policy of the United States in making such disposals. The section provides further that the Secretary of State shall continue to administer existing agreements with respect to the disposal of foreign excess property and shall have authority to amend, modify, and renew such agreements in order to carry on the foreign educational exchange program and the purposes of the Foreign Service Buildings Act and to provide local currencies under procedures established by the Secretary of the Treasury for the payment of expenses of the United States in the country in question.

Section 402. Methods and terms of disposal

This section authorizes disposals of foreign excess property under terms similar to those in the Surplus Property Act of 1944, as amended under which foreign disposals are currently being made. Foreign excess property may be disposed of by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper. Such property may be disposed of for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Disposals may be made without advertising when the head of the executive agency finds such a course to be most practicable and to be most advantageous to the Government. Sales of agricultural commodities, food, or cotton or woolen goods must include a condition forbidding importation into the United States unless the Secretary of Agriculture determines that such property is in short supply in this country. The head of the executive agency responsible for disposal may execute the documents necessary to transfer the interest of the United States in the property and may authorize abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds of sale.

Section 403. Proceeds; foreign currencies

This section provides that the proceeds from sales of foreign excess property shall, if in the form of foreign currencies or credits, be administered in accordance with procedures prescribed by the Secretary of the Treasury and shall, if in United States currency or when reduced to United States currency, be covered into the Treasury as miscellaneous receipts. The provisions of section 204 (b) relating to reimbursable funds or appropriations shall apply to proceeds of foreign excess property under this title. The section further provides that any executive agency disposing of surplus property under this title may establish a special account with the Treasurer of the United States from which appropriate refunds to purchasers may be made.

Section 404. Miscellaneous provisions

(a) *Presidential policies.*—The President is granted general authority to prescribe policies deemed necessary to execute the provisions of this title.

(b) *Delegation of authority.*—Any authority conferred upon any executive agency under this title may be delegated and successive redelegations authorized by the head of such agency to any official in such agency or to the head of another executive agency.

(c) *Employment of personnel.*—The head of each executive agency responsible for the disposal of excess property hereunder may, subject to the civil-service and classification laws, appoint and fix the compensation of necessary personnel and without regard to the civil-service and classification laws appoint and fix the compensation of personnel outside the continental limits of the United States as may be necessary to carry out his functions.

(d) *Reports to Congress.*—Each agency responsible for foreign disposal shall make annual reports to Congress relative to its activities under this title.

(e) *Transfer of personnel, funds, etc.*—Such records, property, personnel obligations, commitments, and unexpended balances, of appropriations, allocations, and other funds as are determined by the Director of the Bureau of the Budget to relate to the functions transferred to another executive agency under this title shall be transferred from the Department of State to that agency.

TITLE V. GENERAL PROVISIONS

Section 501. Applicability of existing procedures

This section continues in effect all existing policies, procedures, and directives until superseded or amended under authority of the act.

Section 502. Repeal and saving provisions

(a) *Repeal of Surplus Property Act, certain exceptions.*—This subsection repeals all the Surplus Property Act of 1944 except (i) sections 13 (g) and (h), relating to transfers for the airport program and for parks, recreation, and historic monuments, and section 32 (b) (2), relating to the foreign scholarship program, all of which are retained as permanent legislation; and (ii) section 28 suspending a statute of limitations. The priorities and preferences provided for in that act are continued in effect with respect to the disposal of surplus real estate until December 31, 1949. The provisions of the Supplemental

Independent Offices Appropriation Act, 1949 (Public Law 862, 80th Cong.), as amended, abolishing the War Assets Administration as of June 30, 1949, and assigning its property-disposal functions to several different agencies, are likewise repealed, as are two statutes authorizing the armed services to donate obsolete personal property for educational purposes. The latter statutes were superseded by Public Law 889, Eightieth Congress, which is likewise repealed, since it will be superseded by the donation provisions in section 203 (j). This subsection also repeals two statutes relating to the transfer of excess property to other agencies and some 20 statutes relating to use of trade-in allowances which will be superseded by section 201 (e).

(b) *Repeal of Executive Order 6166.*—This subsection supersedes Executive Order 6166 so far as it relates to the Bureau of Federal Supply.

(c) *Declaration of additional authority.*—By this subsection the authority conferred by the act is declared supplemental and not subject to other legislation.

(d) *Special exemptions from the act.*—This subsection exempts from operations under the act a number of activities requiring special treatment. Chief among these are programs for price support, stabilization, grants to farmers, and foreign aid; procurement procedures under the Armed Services Procurement Act of 1947 (this statute is concerned only with procedures and it is not intended by its inclusion in this subsection to grant any exemption from the substantive provisions of the bill); the stock-piling of critical materials; the national school lunch program; the Housing and Home Finance Agency with respect to the disposal of residential property; the Atomic Energy Commission; and the Central Intelligence Agency.

It is not intended by these exemptions that those administering the agencies or programs listed shall be free from all obligation to comply with the provisions of the act or from all jurisdiction of the Administrator. On the contrary, it is expected that they will as far as practicable procure, utilize, and dispose of property in accordance with the provisions of the act and the regulations issued thereunder, particularly so far as common-use items and administrative supplies are concerned. Likewise, it is intended that the Administrator shall have full authority, with respect to the agencies or programs mentioned, to make surveys of, and obtain reports on, property and property-management practices, to cooperate in the establishment of inventory levels, and to report excessive stocking, in accordance with the provisions of section 206 (a) (1) and (2).

In other words, to the extent that compliance with the act and submission to the jurisdiction of the Administrator will not so "impair or affect the authority" of the several agencies to which the subsection applies as to interfere with the operation of their programs, the act will govern. Any disputes that arise can be settled by the President under the authority to prescribe policies and directives vested in him by section 205 (a).

Section 503. *Authorization for appropriations and transfer authority*

(a) *Authorization for appropriations.*—This subsection authorizes appropriations generally without specification as to amount.

(b) *Transfer authority.*—Under this subsection an executive agency may use for care and handling of property, funds heretofore appro-

priated to it for purposes contemplated by sections 201, 202, 203, and 205 of the act.

Section 504. Separability

Each provision of the act is declared separable so far as validity is concerned.

Section 505. Effective date

The effective date of the act is established as July 1, 1949, except that (1) section 502 (a) (2), relating to the War Assets Administration, is made effective June 30, 1949, and (2) section 201 (e), abolishing the Bureau of Federal Supply surcharge, is to become operative July 1, 1950.

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

STATUTES AMENDED

Section 201 (d): Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5):

Unless otherwise provided in the appropriation concerned or other law, purchases and contracts for supplies or services for the Government may be made or entered into only after advertising a sufficient time previously for proposals, except (1) when the amount involved in any one case does not exceed **[\$100]**, \$500 (2) when the public exigencies require the immediate delivery of the articles or performance of the service, (3) when only one source of supply is available and the Government purchasing or contracting officer shall so certify, or (4) when the services are required to be performed by the contractor in person and are (A) of a technical and professional nature or (B) under Government supervision and paid for on a time basis. Except (1) as authorized by section 29 of the Surplus Property Act of 1944 (50 U. S. C. App. 1638), (2) when otherwise authorized by law, or (3) when the reasonable value involved in any one case does not exceed **[\$100]** \$500 sales and contracts of sale by the Government shall be governed by the requirements of this section for advertising.

Section 201 (e): Section 2 of the Act of February 27, 1929 (ch. 354, 45 Stat. 1342; 5 U. S. C. 7b):

[That each] *Each* executive department and independent establishment shall furnish from time to time, when called on to do so, estimates of its requirements for inclusion in purchases which it is proposed to have made by the **[Secretary of the Treasury]**, *Administrator of General Services* and there shall be reserved from proper appropriations sufficient amounts in each case to reimburse the general supply fund hereinafter created. The **[General Supply Committee]** *Administrator of General Services* shall charge the **[proportionate]** *estimated* cost of supplies, **[including breakage, shrinkage, transportation, cost of handling by the Treasury Department, and inspection,]** and bill the same to each requisitioning department and independent establishment; and each such requisitioning department and establishment shall reimburse said general supply fund out of its appropriation upon proper vouchers. *Other expenses such as breakage, shrinkage, inspection, and handling by the General Services Administration shall be charged to funds appropriated to cover such expenses.*

STATUTES REPEALED

Section 502 (a) (1)—the Surplus Property Act of 1944, as amended (except sections 13 (g), 13 (h), 28, and 32 (b) (2)) * * *: *Provided*, That with respect to the disposal under this Act of any surplus real

estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949.

[AN ACT] To aid the reconversion from a war to a peace economy through the distribution of Government surplus property and to establish a Surplus Property Board to effectuate the same, and for other purposes

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Surplus Property Act of 1944".]

[OBJECTIVES]

[SEC. 2.] The Congress hereby declares that the objectives of this Act are to facilitate and regulate the orderly disposal of surplus property so as—

[(a)] to assure the most effective use of such property for war purposes and the common defense;

[(b)] to give maximum aid in the reestablishment of a peacetime economy of free independent private enterprise, the development of the maximum of independent operators in trade, industry, and agriculture, and to stimulate full employment;

[(c)] to facilitate the transition of enterprises from wartime to peacetime production and of individuals from wartime to peacetime employment;

[(d)] to discourage monopolistic practices and to strengthen and preserve the competitive position of small business concerns in an economy of free enterprise;

[(e)] to foster and to render more secure family-type farming as the traditional and desirable pattern of American agriculture;

[(f)] to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;

[(g)] to encourage and foster postwar employment opportunities;

[(h)] to assure the sale of surplus property in such quantities and on such terms as will discourage disposal to speculators or for speculative purposes;

[(i)] to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property in other countries;

[(j)] to avoid dislocations of the domestic economy and of international economic relations;

[(k)] to foster the wide distribution of surplus commodities to consumers at fair prices;

[(l)] to effect broad and equitable distribution of surplus property;

[(m)] to achieve the prompt and full utilization of surplus property at fair prices to the consumer through disposal at home and abroad with due regard for the protection of free markets and competitive prices from dislocation resulting from uncontrolled dumping;

[(n)] to utilize normal channels of trade and commerce to the extent consistent with efficient and economic distribution and the promotion of the general objectives of this Act (without discriminating against the establishment of new enterprises);

[(o)] to promote production, employment of labor, and utilization of the productive capacity and the natural and agricultural resources of the country;

[(p)] to foster the development of new independent enterprise;

[(q)] to prevent insofar as possible unusual and excessive profits being made out of surplus property;

[(r)] to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade, or unduly disturbing the economy, or encouraging hoarding of such property, and to facilitate prompt redistribution of such property to consumers;

[(s)] to dispose of surplus Government-owned transportation facilities and equipment in such manner as to promote an adequate and economical national transportation system; and

[(t)] except as otherwise provided, to obtain for the Government, as nearly as possible, the fair value of surplus property upon its disposition.

[DEFINITIONS]

[SEC. 3.] As used in this Act—

[(a)] The term "Government agency" means any executive department, board, bureau, commission, or other agency in the executive branch of the Federal

Government, or any corporation wholly owned (either directly or through one or more corporations) by the United States.

[(b) The term "owning agency," in the case of any property, means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property otherwise than solely as a disposal agency.

[(c) The term "disposal agency" means any Government agency designated under section 10 to dispose of one or more classes of surplus property.

[(d) The term "property" means any interest, owned by the United States or any Government agency, in real or personal property, of any kind, wherever located, but does not include (1) the public domain, or such lands withdrawn or reserved from the public domain as the Surplus Property Board (created by section 5) determines are suitable for return to the public domain for disposition under the general land laws, or (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

[(e) The term "surplus property" means any property which has been determined to be surplus to the needs and responsibilities of the owning agency in accordance with section 11.

[(f) The term "contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; and (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

[(g) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and, in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

[(h) The term "person" means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

[(i) The term "State" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

[(j) The term "tax-supported institution" means any scientific, literary, educational, public-health, or public-welfare institution which is supported in whole or in part through the use of funds derived from taxation by the United States, or by any State or political subdivision thereof.

[(k) The term "veteran" means any person in the active military or naval service of the United States during the present war, or any person who served in the active military or naval service of the United States on or after September 16, 1940, and prior to the termination of the present war, and who has been discharged or released therefrom under honorable conditions.

DISPOSITION OF SURPLUS PROPERTY—GENERAL RULE

[SEC. 4. Surplus property shall be disposed of to such extent, at such times, in such areas, by such agencies, at such prices, upon such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

SURPLUS PROPERTY BOARD

[SEC. 5. (a) There is hereby established in the Office of War Mobilization, and in its successor, a Surplus Property Board (hereinafter called the "Board"), which shall be composed of three members, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$12,000 per annum. The term of office of the members shall be two years, except that the term of office of the members first appointed shall expire two years from the date of the enactment of this Act, and the next succeeding terms shall then begin, and any person appointed to fill a vacancy caused by the death, resignation, or removal of a member prior to the expiration of the term of such member shall be appointed only for such unexpired term. The President shall designate one of the members of the Board as Chairman.]

(The Surplus Property Board created by this subsection was abolished by Public Law 181, 79th Congress (59 Stat. 533), which created the Surplus Property Administration and the office of Surplus Property Administrator. By virtue of Executive Order 9689, January 31, 1946, the functions of the Surplus Property Administration and the Surplus Property Administrator were transferred to the War Assets Corporation and the Chairman of the Board of Directors of the War Assets Corporation, respectively. The Executive order also provided for the

establishment, on March 25, 1946, of the War Assets Administration and the office of War Assets Administrator. On that date the functions of the War Assets Corporation relative to surplus property and of the Chairman of the Board of Directors of the War Assets Corporation relative to surplus property were transferred to the War Assets Administrator. Section 501 of Reorganization Plan 1 of 1947, effective July 1, 1947, transferred the functions of the War Assets Administration and the War Assets Administrator, established by Executive Order 9689, to the Surplus Property Administration and the Surplus Property Administrator, respectively, and provided that the latter agencies should be known as the War Assets Administration and the War Assets Administrator, respectively. Section 502 of the Plan created the office of Associate War Assets Administrator.)

[(b) The Board may, within the limits of funds which may be made available, appoint and fix the compensation of such officers and employees, and may make such expenditures for supplies, facilities, and services, as may be necessary to carry out its functions. Without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, the Board may appoint such special assistants, and may employ such certified public accountants, qualified cost accountants, industrial engineers, appraisers, and other experts, and fix their compensation, and may contract with such certified public accounting firms and qualified firms of engineers, as may be necessary to carry out its functions.

[DUTIES AND AUTHORITY OF BOARD

[SEC. 6. The activities of the Board shall be coordinated with the programs of the armed forces of the United States in the interests of the war effort. Until peace is concluded the needs of the armed forces are hereby declared and shall remain paramount. The Board shall have general supervision and direction, as provided in this Act, over (1) the care and handling and disposition of surplus property, and (2) the transfer of surplus property between Government agencies.

[COOPERATION WITH INTERESTED GOVERNMENT AGENCIES

[SEC. 7. The Board shall advise and consult with other interested Government agencies with a view to obtaining all aid and assistance possible in coordinating the functions of the several agencies affected by the disposition of surplus property.

[DELEGATION OF AUTHORITY

[SEC. 8. The head of any Government agency, except the Board, may delegate, and authorize successive redelegations of, any authority conferred upon him or his agency by or pursuant to this Act to any officer, agent, or employee of such agency or, with the approval of the Board, to any other Government agency.

[REGULATIONS

[SEC. 9. (a) The Board shall prescribe regulations to effectuate the provisions of this Act. In formulating such regulations, the Board shall be guided by the objectives of this Act.

[(b) Regulations issued pursuant to subsection (a) may, except as otherwise provided in this Act, contain provisions prescribing the extent to which, the times at which, the areas in which, the agencies by which, the prices at which, and the terms and conditions under which, surplus property may be disposed of, and the extent to which and the conditions under which surplus property shall be subject to care and handling.

[(c) Each Government agency shall carry out regulations of the Board expeditiously and shall issue such further regulations, not inconsistent with the regulations of the Board, as it deems necessary or desirable to carry out the provisions of this Act.

[(d) Regulations prescribed under this Act shall be published in the Federal Register.

[DESIGNATION OF DISPOSAL AGENCIES

[SEC. 10. (a) Except as provided in subsection (b) of this section, the Board shall designate one or more Government agencies to act as disposal agencies under this Act. In exercising its authority to designate disposal agencies, the Board shall assign surplus property for disposal by the fewest number of Government agencies practicable and, so far as it deems feasible, shall centralize in one disposal agency responsibility for the disposal of all property of the same type or class.

[(b) The United States Maritime Commission shall be the sole disposal agency for surplus vessels which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

[(c) Except as provided in subsection (b) of this section, the Department of State shall be the sole disposal agency for surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and with respect to such property the Secretary of State shall exercise the functions heretofore conferred upon the Surplus Property Administrator by Public Law 181, Seventy-ninth Congress. The Secretary of State shall, subject to the provisions of the War Mobilization and Reconversion Act of 1944, have sole responsibility for carrying out the provisions of the Surplus Property Act of 1944, with respect to surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands.] (Subsection (c) added by Public Law 584, 79th Congress (60 Stat. 754).)

[DECLARATION AND DISPOSITION OF SURPLUS PROPERTY

[SEC. 11. (a) Each owning agency shall have the duty and responsibility continuously to survey the property in its control and to determine which of such property is surplus to its needs and responsibilities.

[(b) Each owning agency shall promptly report to the Board and the appropriate disposal agency all surplus property in its control which the owning agency does not dispose of under section 14.

[(c) Whenever in the course of the performance of its duties under this Act the Board has reason to believe that any owning agency has property in its control which is surplus to its needs and responsibilities and which it has not reported as such, the Board shall promptly report that fact to the Senate and House of Representatives. Each owning agency and each disposal agency shall submit to the Board (1) such information and reports with respect to surplus property in the control of the agency, in such form, and at such reasonable times, as the Board may direct; (2) such information and reports with respect to other property in the control of the agency, to such extent, and in such form, as the Board may direct and as the agency deems consistent with national security.

[(d) When any surplus property is reported to any disposal agency under subsection (b) of this section, the disposal agency shall have responsibility and authority for the disposition of such property, and for the care and handling of such property pending its disposition, in accordance with regulations prescribed by the Board. Where the disposal agency is not prepared at the time of its designation under this Act to undertake the care and handling of such surplus property the Board may postpone the responsibility of the agency to assume its duty for care and handling for such period as the Board deems necessary to permit the preparation of the agency therefor.

[(e) The Board shall prescribe regulations necessary to provide, so far as practicable, for uniform and wide public notice concerning surplus property available for sale, and for uniform and adequate time intervals between notice and sale so that all interested purchasers may have a fair opportunity to buy.

[(f) No surplus property which was processed, produced, or donated by the American Red Cross for any Government agency shall be disposed of except after notice to and consultation with the American Red Cross. All or any portion of such property may be donated to the American Red Cross, upon its request, solely for charitable purposes.

[(g) Each disposal agency shall maintain in each of its disposal offices such records of its inventories of surplus property and of each disposal transaction negotiated by that office as the Board may prescribe. The information in such records shall be available at all reasonable times for public inspection.

[UTILIZATION OF SURPLUS PROPERTY BY FEDERAL AGENCIES

[SEC. 12. (a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this Act, except disposals of property reserved exclusively for veterans under subsection (b) of section 16 of this Act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise

the priority provided by this subsection, but the time so fixed shall not exceed twenty days from the time public notice is given of the availability of the surplus property for disposal to Government agencies.】 (As amended by Public Law 375, 79th Congress (60 Stat. 168).)

【(b) It shall be the responsibility of all Government agencies in order to avoid making purchases through commercial channels, continuously to consult the records of surplus property established by the Board and to determine whether their requirements can be satisfied out of such surplus property. It shall also be the responsibility of the head of each Government agency to submit to the Board such estimates of the needs of the agency and such reports in relation thereto as the Board may deem necessary to promote the fullest utilization of surplus property. It shall be the responsibility of the Board to determine whether Government agencies are acquiring surplus property to the fullest possible extent, and to notify agencies whenever, in its judgment, they are not so doing.

【(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section.】 (As amended by section 3 of Public Law 375, 79th Congress (60 Stat. 168).)

【(d) Notwithstanding the provisions of section 34 (a) of this Act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property.】 (Added by section 4 of Public Law 375, 79th Congress (60 Stat. 168).)

【DISPOSAL TO LOCAL GOVERNMENTS AND NONPROFIT INSTITUTIONS

【SEC. 13. (a) The Board shall prescribe regulations for the disposition of surplus property to States and their political subdivisions and instrumentalities, and to tax-supported and nonprofit institutions, and shall determine on the basis of need what transfers shall be made. In formulating such regulations the Board shall be guided by the objectives of this Act and shall give effect to the following policies to the extent feasible and in the public interest:

【(1) (A) Surplus property that is appropriate for school, classroom, or other educational use may be sold or leased to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

【(B) Surplus medical supplies, equipment, and property suitable for use in the protection of public health, including research, may be sold or leased to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

【(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Board shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

【(2) Surplus property shall be disposed of so as to afford public and governmental institutions, nonprofit or tax-supported educational institutions, charitable and eleemosynary institutions, nonprofit or tax-supported hospitals and similar institutions, States, their political subdivisions and instrumentalities, and volunteer fire companies, an opportunity to fulfill, in the public interest, their legitimate needs.

【(3) Surplus property certified by the Governor of the State in which the property is situated and by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, as the case may be, as being suitable and needed for use in training and maintaining any civilian component of the armed forces under his jurisdiction may be disposed of to States, their political subdivisions or tax-supported instrumentalities, subject to such terms and conditions as the Administrator determines to be necessary to properly protect the interests of the United States. Such disposals shall be without

monetary consideration: *Provided*, That the Government shall be reimbursed for such costs incident to the disposal of the property as the Administrator may deem proper, including the expense of removal of any machinery, equipment, or personal property not transferred as a part of such disposal.】
(As added by Public Law 829, 80th Congress.)

【(b) Under regulations prescribed by the Board, whenever the Government agency authorized to dispose of any property finds that it has no commercial value or that the cost of its care and handling and disposition would exceed the estimated proceeds, the agency may donate such property to any agency or institution supported by the Federal Government or any State or local government, or to any nonprofit educational or charitable organization, or, if that is not feasible, shall destroy or otherwise dispose of such property, but, except in the case of property the immediate destruction of which is necessary or desirable either because of the nature of the property or because of the expense or difficulty of its care and handling, no property shall be destroyed until thirty days after public notice of the proposed destruction thereof has been given (and a copy of such notice given to the Board at the beginning of such thirty-day period) and an attempt has been made within such thirty days to dispose of such property otherwise than by destruction.

【(c) No harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Administrator, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof.】 (As amended by Public Law 289, 80th Congress.)

【(d) Whenever any State or political subdivision thereof, or any State or Government agency or instrumentality certifies to the Board that any power transmission line determined to be surplus property under the provisions of this Act is needful for or adaptable to the requirements of any public or cooperative power project, such line and the right-of-way acquired for its construction shall not be sold, leased for more than one year, or otherwise disposed of, except as provided in section 12 of this section, unless specifically authorized by Act of Congress.

【(e) In disposing of any surplus real property, as defined in section 23, on or across which highways or streets had been established and constructed and were being maintained by the States or their political subdivisions or instrumentalities at the time such surplus real property was acquired by the Government, and where such highways or streets were vacated, destroyed, or shut off from general public use in order to meet the requirements and serve the purposes of the Government, the States or their political subdivisions or instrumentalities first shall be given a reasonable time, to be fixed by the Board, in which to repurchase the original rights-of-way on which such highways or streets were established and in which to purchase such new or additional rights-of-way as may be required for reestablishing, in whole or in part, such highways or streets of greater width or on new and more adequate locations, at a price not exceeding that paid therefor by the Government.

【(f) Except as otherwise provided by this section, the disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this Act except (1) transfers to Government agencies under section 12 of this Act, as amended, and (2) disposals to veterans under section 16 of this Act, as amended. Disposals of real property to States, political subdivisions, and instrumentalities thereof for any of the purposes specified in section 13 (a) (1) (A), section 13 (a) (1) (B), section 13 (c), section 13 (d), section 13 (e), section 13 (g), or section 13 (h) of such Act, as amended, shall be given priority over all other disposals of property provided for in this Act except transfers to Government agencies under section 12 of this Act, as amended. The Administrator may prescribe a reasonable time during which any such priority shall be exercised.】
(As amended by section 2 of Public Law 616, 80th Congress.)

(g) (1) Notwithstanding any other provision of this Act, any disposal agency designated pursuant to this Act may, with the approval of the Administrator, convey or dispose of to any State, political subdivision, municipality, or tax-supported institution, without monetary consideration to the United States, but subject to the terms, conditions, reservations, and restrictions hereinafter provided for, all of the right, title, and interest of the United States in and to any surplus real or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified

for disposal without regard to the provisions of this subsection) which, in the determination of the Administrator of Civil Aeronautics, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act (60 Stat. 170) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of a public airport, including property needed to develop sources of revenue from nonaviation businesses at a public airport.

(2) Except as provided in paragraph (3) hereof, all property disposed of under the authority of this subsection shall be disposed of on and subject to the following terms, conditions, reservations, and restrictions:

(A) No property disposed of under the authority of this subsection shall be used, leased, sold, salvaged, or disposed of by the grantee or transferee for other than airport purposes without the written consent of the Administrator of Civil Aeronautics, which consent shall be granted only if the Administrator of Civil Aeronautics determines that the property can be used, leased, sold, salvaged, or disposed of for other than airport purposes without materially and adversely affecting the development, improvement, operation, or maintenance of the airport at which such property is located: *Provided*, That no structures disposed of hereunder shall be used as an industrial plant, factory, or similar facility within the meaning of section 23 of this Act, unless the public agency receiving title to such structures shall pay to the United States such sum as the Administrator shall determine to be a fair consideration for the removal of the restriction imposed by this proviso.

(B) All property transferred for airport purposes shall be used and maintained for the use and benefit of the public, without unjust discrimination.

(C) No exclusive right for the use of the airport at which the property disposed of is located shall be vested (either directly or indirectly) in any person or persons to the exclusion of others in the same class. For the purpose of this condition, an exclusive right is defined to mean—

(1) any exclusive right to use the airport for conducting any particular aeronautical activity requiring operation of aircraft;

(2) any exclusive right to engage in the sale or supplying of aircraft, aircraft accessories, equipment, or supplies (excluding the sale of gasoline and oil), or aircraft services necessary for the operation of aircraft (including the maintenance and repair of aircraft, aircraft engines, propellers, and appliances).

(D) The grantee shall, insofar as it is within its powers, adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

(E) During any national emergency declared by the President or by the Congress, the United States shall have the right to make exclusive or non-exclusive use and have exclusive or nonexclusive control and possession, without charge, of the airport at which the surplus property is located or used, or of such portion thereof as it may desire: *Provided, however*, That the United States shall be responsible for the entire cost of maintaining such part of the airport as it may use exclusively, or over which it may have exclusive possession and control, during the period of such use, possession, or control, and shall be obligated to contribute a reasonable share, commensurate with the use made by it, of the cost of maintenance of such property as it may use nonexclusively or over which it may have nonexclusive control and possession: *Provided further*, That the United States shall pay a fair rental for its use, control, or possession, exclusively or nonexclusively, of any improvements to the airport made without United States aid.

(F) The United States shall at all times have the right to make nonexclusive use of the landing area of the airport at which the surplus property is located or used, without charge: *Provided, however*, That such use may be limited as may be determined at any time by the Administrator of Civil Aeronautics to be necessary to prevent undue interference with use by other authorized aircraft: *Provided further*, That the United States shall be obligated to pay for damages caused by such use, or if its use of the landing area is substantial, to contribute a reasonable share of the cost of maintaining and operating the landing area, commensurate with the use made by it.

(G) Any public agency accepting a conveyance or transfer of surplus property under the provisions of this subsection shall release the United States

from any and all liability it may be under for restoration or other damages under any lease or other agreement covering the use by the United States of any airport, or part thereof, owned, controlled, or operated by the public agency upon which, adjacent to which, or in connection with which, the surplus property was located or used: *Provided*, That no such release shall be construed as depriving the public agency of any right it may otherwise have to receive reimbursement under section 17 of the Federal Airport Act for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency.

(H) In the event that any of the terms, conditions, reservations, and restrictions upon or subject to which the property is disposed of is not met, observed, or complied with, all of the property so disposed of or any portion thereof, shall, at the option of the United States, revert to the United States in its then existing condition.

(3) In making any disposition of surplus property under this subsection (g), the disposal agency is authorized, upon the request of the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy, to omit from the instruments of disposal any of the terms, conditions, reservations, and restrictions required by paragraph (2) hereof, and to include any additional terms, conditions, reservations, and restrictions, if the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy determines that such omission or inclusion is necessary to protect or advance the interests of the United States in civil aviation or for national defense.

(4) The Administrator of Civil Aeronautics shall have the sole responsibility for determining and enforcing compliance with the terms, conditions, reservations, and restrictions upon or subject to which surplus property is disposed of pursuant to this subsection.

(5) All surplus property within the purview of this subsection which is not disposed of pursuant hereto shall be disposed of as provided elsewhere in this Act or other applicable Federal Statute.

(6) Notwithstanding the provisions of subsection (f) of this section and subsection (e) of section 18, the disposal of surplus property under this subsection, which is determined by the Administrator to be available for the purposes enumerated in this subsection, shall be given priority immediately following transfers to other Government agencies under section 12. (Subsection (g) added by Public Law 289, 80th Congress.)

(h) (1) Notwithstanding any other provision of this Act, any disposal agency designated pursuant to this Act may, with the approval of the Administrator, convey to any State, political subdivision, instrumentalities thereof, or municipality, all of the right, title, and interest of the United States in and to any surplus land, including improvements and equipment located thereon, which, in the determination of the Secretary of the Interior, is suitable and desirable for use as a public park, public recreational area, or historic monument, for the benefit of the public. The Administrator, from funds appropriated to the War Assets Administration, shall reimburse the Secretary of the Interior for the costs incurred in making any such determination.

(2) Conveyances for park or recreational purposes made pursuant to the authority contained in this subsection shall be made at a price equal to 50 per centum of the fair value of the property conveyed, based on the highest and best use of the property at the time it is offered for disposal, regardless of its former character or use, as determined by the Administrator. Conveyances of property for historic-monument purposes under this subsection shall be made without monetary consideration: *Provided*, That no property shall be determined under this paragraph to be suitable or desirable for use as an historic monument except in conformity with the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments established by section 3 of the Act entitled "An Act for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes," approved August 21, 1935 (49 Stat. 666), and no property shall be so determined to be suitable or desirable for such use if (A) its area exceeds that necessary for the preservation and proper observation of the historic monument situated thereon, or (B) it was acquired by the United States at any time subsequent to January 1, 1900.

(3) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed for a period of not less than twenty years, and that in the event that such property ceases to be used or main-

tained for such purpose during such period, all or any portion of such property shall in its then existing condition, at the option of the United States, revert to the United States; and

(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator, to be necessary to safeguard the interests of the United States. (Subsection (h) added by Public Law 616, 80th Congress.)

DISPOSITION BY OWNING AGENCY

[SEC. 14. (a) Subject only to the regulations of the Board with respect to price policies, any owning agency may dispose of any property for the purpose of war production or authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for the purpose of war production. The Board may empower any owning agency, subject to the regulations of the Board, to authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventories for any other purpose which in the opinion of the Board is not contrary to the objectives of this Act. Where any owning agency takes possession of any contractor inventory from any contractor with the agency or subcontractor thereunder, such property shall be disposed of only in accordance with the provisions of this Act.

[(b) Subject only to subsection (c) of this section, any owning agency may dispose of—

[(1) any property which is damaged or worn beyond economical repair;

[(2) any waste, salvage, scrap, or other similar items;

[(3) any product of industrial, research, agricultural, or livestock operations, or of any public works construction or maintenance project, carried on by such agency;

which does not consist of materials which are to be transferred in accordance with the Strategic and Critical Materials Stock Piling Act, to the stock piles established pursuant to that Act.] (As amended by section 6 of Public Law 520, 79th Congress.)

[(c) Whenever the Board deems such action necessary to effectuate the objectives and policies of this Act, the Board, by regulations, shall restrict the authority of any owning agency to dispose of any class of surplus property under subsection (b) of this section.

METHODS OF DISPOSITION

[SEC. 15. (a) Notwithstanding the provisions of any other law but subject to the provisions of this Act, whenever any Government agency is authorized to dispose of property under this Act, then the agency may dispose of such property by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions, as the agency deems proper: *Provided, however,* That in the case of raw materials, consumer goods, and small tools, hardware, and nonassembled articles which may be used in the manufacture of more than one type of product, no extension of credit under this Act shall be for a longer period than three years.

[(b) Any owning agency or disposal agency may execute such documents for the transfer of title or other interest in property or take such other action as it deems necessary or proper to transfer or dispose of property or otherwise to carry out the provisions of this Act, and, in the case of surplus property, shall do so to the extent required by the regulations of the Board.

DISPOSITIONS TO VETERANS

[SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this Act to aid veterans in the acquisition of surplus property, in appropriate quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this Act except transfers to Government agencies under section 12.] (Added by Public Law 375, 79th Congress (60 Stat. 168).)

[(b) Notwithstanding the provisions of section 12 of this Act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or

agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection.] (Added by Public Law 375, 79th Congress (60 Stat. 168).)

[(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them.] (Added by Public Law 375, 79th Congress (60 Stat. 168).)

[DISPOSITIONS IN RURAL AREAS

[SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

[SMALL BUSINESS

[SEC. 18. (a) It shall be the duty of the Board to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property.

[(b) The Board shall by regulations determine, or provide for the determination, as to all surplus property in the hands of each disposal agency, the size of lots in which, and the areas in which, the various classes of such property should be offered consistently with the usual and customary commercial practice with respect to such class. The available supply of each class in each area shall be so disposed of as to give to prospective purchasers, within such area, of any particular amount (not smaller than the smallest lot consistent with such commercial practice) preference (by affording them reasonable opportunity to acquire the desired amount) over prospective purchasers of larger amounts.

[(c) The Smaller War Plants Corporation is hereby specifically charged with the responsibility of cooperating with the Board and with the owning and disposal agencies, of making surveys from time to time, and bringing to the attention of the agencies and the Board the needs and requirements of small business and any cases or situations which have resulted in or would effect discrimination against small business in the purchase or acquisition of surplus property by them and in the disposal thereof by the agencies.

[(d) The Smaller War Plants Corporation is hereby authorized and directed to consult with small business to obtain full information concerning the needs of small business for surplus property.

[(e) (Repealed by section 3 of Public Law 616, 80th Congress).

[(f) The Smaller War Plants Corporation is hereby authorized, for the purpose of carrying out the objectives of this section, to make or guarantee loans to small business enterprises in connection with the acquisition, conversion, and operation of plants and facilities which have been determined to be surplus property, and, in cooperation with the disposal agencies to arrange for sales of surplus property to small business concerns on credit or time basis.

[DISPOSAL OF PLANTS

[SEC. 19. (a) The Board, in cooperation with the various disposal agencies, shall prepare and submit to the Congress within three months after enactment of this Act, a report as to each of the following classes of surplus property (not including any plant which cost the Government less than \$5,000,000): (1) aluminum plants and facilities; (2) magnesium plants and facilities; (3) synthetic rubber plants and facilities; (4) chemical plants and facilities; (5) aviation gasoline plants and facilities; (6) iron and steel plants and facilities; (7) pipe lines and

facilities used for transporting oil; (8) patents, processes, techniques, and inventions, except such as are necessary to the operation of the plants and facilities herein listed; (9) aircraft plants and facilities and aircraft and aircraft parts; (10) shipyards and facilities; (11) transportation facilities; and (12) radio and electrical equipment:

[(A) Describing the amount, cost, and location of the property and setting forth other descriptive information relative to the use of the property;

[(B) Outlining the economic problems that may be created by disposition of the property;

[(C) Setting forth a plan or program for the care and handling, disposition, and use of the property consistent with the policies and objectives set forth in this Act.

[(b) In the event that it is not possible within such period to prepare and submit a complete report to the Congress as to any class of property, the Board shall submit an interim report three months after the enactment of this Act, and shall submit a complete report as soon thereafter as possible. If the Board determines that it is desirable to alter or change any such plan or program or to prepare a report on any other class of property, it shall prepare in accordance with the provisions of this subsection and submit to the Congress an additional report, setting forth the altered or changed plan or program or a plan or program relating to the new class of property.

[(c) Whenever the Board may deem it to be in the interest of the objectives of this Act it may authorize the disposition of any surplus property listed in classes 9 to 12, inclusive, of subsection (a) of this section. With respect to the property listed in classes 1 to 8, inclusive, no disposition shall be made or authorized until thirty days (or sixty days in the case of aluminum plants and facilities) after such report (or additional report) has been made while Congress is in session, except that the Board may authorize any disposal agency to lease any such property for a term of not more than five years.] (Matter within parentheses added by Public Law 200, 79th Congress (59 Stat. 546).)

[(d) The Board may authorize any disposal agency to dispose of any materials or equipment related to any surplus plant covered by this section, if such materials and equipment are not necessary for the operation of the plant in the manner for which it is designed.

[(e) This section shall not apply to any Government-owned equipment, structure, or other property operated as an integral part of a privately owned plant and not capable of economic operation as a separate and independent unit.

[APPLICABILITY OF ANTITRUST LAWS

[SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

[DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

[SEC. 21. (a) Subject to the supervision of the Board, the War Food Administrator, or his successor, shall be solely responsible for the formulation of policies with respect to the disposal of surplus agricultural commodities and surplus foods processed from agricultural commodities, which shall be administered by the disposal agency or agencies designated by the Board. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food pro-

cessed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

[(b) The Board shall not exercise any of its powers under this Act with relation to disposal of surplus cotton or woolen goods except with the approval in writing of the War Food Administrator or his successor.

[(c) Surplus farm commodities shall not be sold in the United States under this Act in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation, or at less than current prevailing market prices, whichever may be the higher, unless such commodities are being disposed of, pursuant to this Act, only for export; and the Commodity Credit Corporation may dispose of or cause to be disposed of for cash or its equivalent in goods or for adequately secured credit, for export only, and at competitive world prices, any farm commodity or product thereof without regard to restrictions with respect to the disposal of commodities imposed upon it by any law: *Provided*, That no food or food product shall be sold or otherwise disposed of under this subsection for export (1) if there is a shortage of such food or food product in the United States or if such sale or other disposition may result in such a shortage, or (2) if such food or food product is needed to supply the normal demands of consumers in the United States.

[STOCK PILING]

(Section 22 was repealed by subsection (c) of section 6 of the "Strategic and Critical Materials Stock Piling Act", Public Law 520, 79th Congress.)

[DISPOSAL OF SURPLUS REAL PROPERTY]

[Sec. 23. (a) As used in this section—

[(1) The term "real property" means property consisting of land, together with any fixtures and improvements thereon (including hotels, apartment houses, hospitals, office buildings, stores, and other commercial structures) located outside the District of Columbia, but does not include (A) commercial structures constructed by, at the direction of, or on behalf of any Government agency, (B) commercial structures which the Administrator determines have been made an integral part of a functional or economic unit which should be disposed of as a whole, and (C) war housing, industrial plants, factories, airports, airport facilities, or similar structures and facilities, or the sites thereof, or land which the Administrator determines essential to the use of any of the foregoing; and (2) The term "surplus real property" means real property which has been determined under section 11 to be surplus property.] (Paragraph 1 as amended by Public Law 635, 79th Congress (60 Stat. 866).)

[(b) Surplus real property which is not disposed of to Government agencies under section 12 or to States or their political subdivisions or instrumentalities under section 13 shall be disposed of in accordance with this section.

[(c) Immediately after the reporting of surplus real property to the Board under section 11, the Board shall classify such property as agricultural, grazing, forest, mineral, or otherwise, as it may deem advisable. The classification may be revised from time to time. The classification of property by the Administrator (including the determination of whether property is "real property" as defined in this section) shall be based on the highest and best use of the property at the time it is reported as surplus property regardless of its former character or use.] (Last sentence added by Public Law 635, 79th Congress (60 Stat. 866).)

[(d) (1) (A) In the case of any surplus real property which was acquired by any Government agency after December 31, 1939, the person from whom such property was acquired shall be given notice, in such manner (which may include publication) as the Board by regulation may prescribe, that the property is to be disposed of by the United States and shall be entitled to purchase such property, in substantially the identical tract as when acquired from such person, at private sale at any time during the period of ninety days following such notice: *Provided*, That such period shall be extended in any case when it appears that such extension is necessary or appropriate to facilitate the sale of any surplus real property under this subsection.

[(B) In the case of real property acquired by any Government agency after December 31, 1939, which either—

[(i) has not been determined under section 11 to be surplus property, or

[(ii) has been disposed of under section 12 or 13, or

[(iii) is classified as suitable for a purpose different from that for which it was used when acquired by the Government, and with respect to which the

person from whom it was acquired has signified an intention not to exercise the privilege granted under subparagraph (A), the person from whom such property was acquired may be offered other surplus real property in the same area for purchase at private sale, if such other property is classified as suitable for the purpose for which the property so acquired was used when so acquired, and is otherwise similar to the property so acquired.

[(2) In the case of surplus real property which was acquired by any Government agency after December 31, 1939, and which is classified as suitable for agricultural use, if any tenant (who was a tenant at the time of acquisition) of the person from whom such property was acquired, signifies, within a period of ninety days following public notice of sale, his intention to purchase such property, and no person has exercised his privilege under paragraph (1) (A), such tenant shall be entitled to purchase such property, in substantially the identical tract as when acquired by such Government agency, at private sale at any time during such ninety-day period.

[(3) The price to be paid for surplus real property sold under this subsection shall be a price not greater than that for which it was acquired by the United States, such acquisition price being properly adjusted to reflect any increase or decrease in the value of such property resulting from action by the United States, or a price equal to the market price at the time of sale of such property, whichever price is the lower.

[(4) The Board may by regulation prescribe methods for the identification of persons entitled to exercise the privileges conferred by this subsection.

[(e) If any surplus real property is not disposed of under subsection (d)—

[(1) such property, if classified as suitable for agricultural use, shall be subdivided, as provided by the Board, whenever practicable into economic family-size units (taking into consideration the variations in sizes of economic units in different localities); and

[(2) such property, if not classified as suitable for agricultural use, shall be subdivided into the appropriate units in which the Board deems the property should be disposed of, giving due consideration to the character of the property, the economic use to which it is likely to be put, and the objectives of disposition as set forth in this Act.

[(f) (1) Whenever any surplus real property classified as suitable for agricultural, residential, or small business purposes is to be disposed of, except as provided in subsection (d) of this section, veterans shall be granted a preference in the purchase of such property over nonveterans.

[(2) The following procedure shall govern the exercise of veterans' preference rights under this subsection: The disposal agency, under regulations prescribed by the Board, shall fix the price of each unit into which the property is subdivided under subsection (e) after taking into consideration the then current market value, the character of the property, and, if income-producing property, the estimated earning capacity thereof. Before any such property is disposed of, except under subsection (d), any veteran may apply for the purchase of any or all units offered for sale at the price so fixed. The Board shall prescribe the time within which application shall be made and shall give such notice thereof as it deems reasonable to enable veterans to exercise their rights under this subsection. The Board shall provide for the selection of the purchaser of each unit by lot from among the applicants for the unit. If any applicant is selected as the purchaser of more than one unit, he shall elect which one to take, whereupon the right to purchase the remaining units shall go to the remaining applicants in the order in which their names were drawn. No veteran may apply for the purchase of any property under the provisions of this subsection if he has previously exercised a preference right under this section and has acquired property pursuant thereto. Sales to veterans under this subsection shall be upon such terms as the Board may prescribe.

[(g) In the case of the death of a person entitled under this section to rights as a former owner or veteran, his spouse and children, in that order, shall succeed to such rights of the decedent existing at the time of his death. Any preference right under subsection (f) to which a person would have been entitled except for his death while in the active military or naval service of the United States, shall be extended to his spouse and children, in that order. No preference right may be assigned or exercised by power of attorney or through a power to select except as may be permitted by regulations prescribed by the Board in order to prevent the loss of such right by the holder thereof.

[(h) A certificate by the disposal agency that the provisions of subsections (d), (f), and (g) have been complied with in the case of any property and that no quali-

fied applicant has made application to exercise his privilege to purchase within the time limits fixed by or pursuant to this Act, shall terminate all privileges to purchase such property.

[(i) In the case of surplus real property which is classified as suitable for agricultural use and which is not disposed of under subsection (d) or (f), such property (after subdivision as provided in subsection (c) (1)) shall be disposed of insofar as possible only to persons who expect to cultivate the land and to operate it for a livelihood. The Department of Agriculture is authorized and directed, within the limits of its current functions under the Bankhead-Jones Farm Tenant Act, to extend needed financial and other assistance to persons eligible for such assistance under the Bankhead-Jones Farm Tenant Act and the Servicemen's Readjustment Act of 1944, in connection with the disposal of surplus agricultural lands pursuant to this subsection.

[(j) In the case of sales of real property under this section or under any other provision of this Act, the form of deed or instrument of transfer shall be approved by the Attorney General. Deeds or other instruments containing general or special warranties of title may be issued and delivered to purchasers provided such warranties have been recommended and approved by the Attorney General. In determining whether general or special warranty deeds to properties may be issued and delivered, the Attorney General is authorized to approve the issuance and delivery of warranty deeds where titles are subject to infirmities of such character that in his opinion the interests of the United States will not be jeopardized under its warranty.

REPORTS TO CONGRESS

[SEC. 24. Within three months after the enactment of this Act, and thereafter in January, April, July, and October of each year, the Board shall submit to the Senate and House of Representatives a progress report on the exercise of its authority and discretion under this Act, the status of surplus property disposition, and such other pertinent information on the administration of the Act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

TITLE OF PURCHASER

[SEC. 25. A deed, bill of sale, lease, or other instrument executed by or on behalf of any Government agency purporting to transfer title or any other interest in property under this Act shall be conclusive evidence of compliance with the provisions of this Act insofar as title or other interest of any bona fide purchasers for value, or lessees, as the case may be, is concerned.

CIVIL REMEDIES AND PENALTIES

[SEC. 26. (a) Where any property is disposed of in accordance with this Act and any regulations prescribed under this Act, no officer or employee of the Government shall (1) be liable with respect to such disposition except for his own fraud or (2) be accountable for the collection of any purchase price which is determined to be uncollectible by the agency responsible therefor.

[(b) Every person who shall use or engage in or cause to be used or engaged in any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Government agency in connection with the disposition of property under this Act; or who enters into an agreement, combination, or conspiracy to do any of the foregoing—

[(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the costs of suit; or

[(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by such person to the United States or any Government agency; or

[(3) shall, if the United States shall so elect, restore to the United States the property thus secured and obtained and the United States shall retain as liquidated damages any consideration given to the United States or any Government agency for such property.

[(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found,

shall whosoever such act may have been done or committed; have full power and jurisdiction to hear, try, and determine such suit.

[(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.]

[PRACTICE BY FORMER EMPLOYEES]

[SEC. 27. No person employed by any Government agency, including commissioned officers assigned to duty in such agency, shall, during the period such person is engaged in such employment or service, or for a period of two years after the time when such employment or service has ceased, act as counsel, attorney, or agent, or be employed as representative, in connection with any matter involving the disposition of surplus property by the agency in which such person was employed, if such person during his employment with such agency ratified, approved, or authorized the disposition of any surplus property pursuant to the provisions of this Act or recommended any such approval, authorization, or ratification as part of his official duties. Any person violating the provisions of this section shall be fined not more than \$10,000, or imprisoned for not more than one year, or both.]

STATUTE OF LIMITATIONS

SEC. 28. The first section of the Act of August 24, 1942 (56 Stat. 747), as amended, is amended to read as follows:

"The running of any existing statute of limitations applicable to any offense against the laws of the United States (1) involving defrauding or attempts to defraud the United States or any agency thereof whether by conspiracy or not, and in any manner, or (2) committed in connection with the negotiation, procurement, award, performance, payment for, interim financing, cancellation or other termination or settlement, of any contract, subcontract, or purchase order which is connected with or related to the prosecution of the present war, or with any disposition of termination inventory by any war contractor or Government agency, or (3) committed in connection with the care and handling and disposal of property under the Surplus Property Act of 1944, shall be suspended until three years after the termination of hostilities in the present war as proclaimed by the President or by a concurrent resolution of the two Houses of Congress. This section shall apply to acts, offenses, or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses, or transactions which are already barred by provisions of existing law."

[MISCELLANEOUS PROVISIONS]

[SEC. 29. Surplus property disposals may be made without regard to any provision in existing law for competitive bidding, unless the Board shall determine that disposal by competitive bid will in a given case better effectuate the policy of the Act.]

[DISPOSITION OF PROCEEDS]

[SEC. 30. (a) All proceeds from any transfer or disposition of property under this Act shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.]

[(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated from the general fund of the Treasury but by law reimbursable from assessment, tax, or other revenue or receipts, then upon the request of the interested agency the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the owning agency. As used in this subsection the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.]

[(c) To the extent authorized by the Board, any Government agency disposing of property under this Act (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.]

[(d) Where a contract or subcontract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the

price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

[(e) Where the disposal agency acquires or retains any mortgage, lien, or other interest as security in connection with any transfer or disposition of property under this Act, the disposal agency shall retain, preserve, and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as it deems in the best interest of the Government. The Board may prescribe regulations to govern the exercise of the authority granted under this subsection.]

[USE OF APPROPRIATED FUNDS]

[Sec. 31. (a) Any Government agency is authorized to use for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for the purpose of production or procurement of such property.]

[(b) Any Government agency is authorized to use for the acquisition of any surplus property under this Act any funds heretofore or hereafter appropriated, allocated, or available to it for the acquisition of property of the same kind.]

[(c) There are authorized to be appropriated such sums as may be necessary or appropriate for administering the provisions of this Act.]

[DISPOSITIONS OUTSIDE UNITED STATES]

[Sec. 32. (a) Nothing in this Act shall limit or affect the authority of commanders in active theaters of military operations with respect to property in their control.]

[(b) (1) The provisions of this Act shall be applicable to disposition of property within the United States and elsewhere, but the Secretary of State may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this Act. In addition to the authority conferred by section 15 of this Act, the Department of State may dispose of surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise, or settlement of such claims by any Government agency in accordance with the law, whenever the Secretary of State determines that it is in the interest of the United States to do so and upon such terms and conditions as he may deem proper. Any foreign currencies or credits acquired by the Department of State pursuant to this subsection shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts.]

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government acquired as a result of such surplus property disposals; for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions; *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of \$20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of \$1,000,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and

expenditure of such currencies or credits for currencies for the purposes herein set forth: *Provided further*, That for the purpose of selecting students and educational institutions qualified to participate in this program, and to supervise the exchange program authorized herein, the President of the United States is hereby authorized to appoint a Board of Foreign Scholarships, consisting of ten members, who shall serve without compensation, composed of representatives of cultural, educational, student and war veterans groups, and including representatives of the United States Office of Education, the United States Veterans' Administration, State educational institutions, and privately endowed educational institutions: *And provided further*, That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year. (As amended by Public Law 584, 79th Congress (60 Stat. 754).)

RESTRICTIONS ON IMPORTATION OF SURPLUS PROPERTY INTO UNITED STATES

SEC. 33. (a) It is the policy of this Act to prohibit, so far as feasible and necessary to carry out the objectives of this Act, the importation into the United States of surplus property sold abroad or for export. The Board shall prescribe regulations to carry out such policy, and the importation of surplus property into the United States is hereby prohibited to the extent specified in such regulations. The Secretary of the Treasury is authorized and directed to provide for the enforcement of such regulations.

(b) Surplus property sold to members of the armed forces abroad may be brought into the United States without regard to the provisions of subsection (a) if brought in by the original purchaser and upon certificate by him that he is bringing the property into the United States for his personal use.

SAVING PROVISIONS

SEC. 34. (a) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith. This Act shall not impair or affect any authority for the disposition of property under any other law, except that the Board may prescribe regulations to govern any disposition of surplus property under any such authority to the same extent as if the disposition were made under this Act, whenever it deems such action necessary to effectuate the objectives and policies of this Act.

(b) Nothing in this Act shall impair or affect the provisions of the Contract Settlement Act of 1944; the Emergency Price Control Act of 1942, as amended; the Act of October 2, 1942 (ch. 578, 56 Stat. 765), as amended; section 301 of the Second War Powers Act, 1942; the Act of March 11, 1941 (55 Stat. 31), as amended; the Tennessee Valley Authority Act of 1933, as amended; Public Law 849, Seventy-sixth Congress, as amended, respecting war housing and facilities; the Act of June 7, 1939, relating to the acquisition of strategic and critical materials (53 Stat. 811); the Trading With the Enemy Act, as amended; section 43 of the Bankhead-Jones Farm Tenant Act, as amended; Acts supplemental to any of the foregoing; any law regulating the exportation of property from the United States; the internal-revenue laws; the statutes relating to the public lands; or any criminal law of the United States.

(c) Nothing in this Act shall be deemed to impair or modify any contract, or any term or provision of any contract, without the consent of the contractor, if the contract or the term or provision thereof is otherwise valid.

TEMPORARY APPLICABILITY OF EXISTING PROCEDURES

SEC. 35. All policies and procedures relating to surplus property prescribed by the Surplus War Property Administration, created by Executive Order Num-

bered 9425, dated February 19, 1944, or any other Government agency, in effect upon the effective date of this Act, and not inconsistent with this Act, shall remain in full force and effect unless and until superseded by regulations prescribed under this Act.

【TERMINATION INVENTORIES】

【SEC. 36. (a) The Congress recognizes that upon termination of war contracts, the plants of war contractors will be filled with vast termination inventories which until removed or disposed of will prevent or interfere with the resumption of civilian production and reemployment, and that so far as possible decisions should be made in advance of termination for the disposition and removal of such termination inventories without delay when termination occurs. Measures should be taken to realize the greatest possible value from termination inventories.

【(b) In advance of termination, to the maximum extent practicable—

【(1) each contracting agency shall advise its war contractors of the classes of termination inventory the contracting agency will wish to retain for military purposes; and

【(2) the Board shall establish procedures for advising war contractors as to the care and handling and disposition of termination inventory not required for military purposes, in order to effectuate the policies stated in subsection (a) of this section and the policies of section 11 (a) (3) of the Contract Settlement Act of 1944.

【(c) To the extent that it is impracticable so to advise war contractors in advance of termination, the contracting agencies and the Board shall be prepared to give such advice as soon as practicable after termination of the war contract.

【(d) The Board and the Director of Contract Settlement shall cooperate in carrying out the provisions of this section.

【(e) For the purposes of this section, the terms “contracting agency”, “termination inventory”, and “war contractor” shall have the meanings assigned to such terms by section 3 of the Contract Settlement Act of 1944.

【INCREASE IN LOAN RATE ON COTTON】

【SEC. 37. (a) Section 8 (a) (1) of the Stabilization Act of 1942, as amended (relating to loans upon certain agricultural commodities), is amended by striking out “at the rate in the case of cotton of 92½ per centum” and inserting in lieu thereof “at the rate in the case of cotton of 95 per centum”.

【(b) The amendment made by this section shall be applicable only with respect to crops harvested after December 31, 1943, but shall not apply to crops planted after 1944. In the case of loans made under such section 8 upon any of the 1944 crop of cotton before the amendment made by this section takes effect, the Commodity Credit Corporation is authorized and directed to increase or provide for increasing the amount of such loans to the amount of the loans which would have been made if the loan rate specified in the amendment made by this section had been in effect at the time the loans were made.

【EXPIRATION DATE】

【SEC. 38. Unless extended by law, this Act shall expire at the end of three years following the date of the cessation of hostilities in the present war. For the purposes of this section the term “date of the cessation of hostilities in the present war” means the date proclaimed by the President as the date of such cessation, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such cessation, whichever is the earlier.

【SEPARABILITY OF PROVISIONS】

【SEC. 39. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.】

Section 502 (a) (1): * * * and sections 501 and 502 of Reorganization Plan No. 1 of 1947 * * *:

【SEC. 501. *War Assets Administration and War Assets Administrator.*—All functions of the War Assets Administration and of the War Assets Administrator established by Executive Order No. 9689 of January 31, 1946, are transferred to

the Surplus Property Administration and the Surplus Property Administrator, respectively, which were created by the Act of September 18, 1945 (59 Stat. 533, ch. 368). The latter agencies shall hereafter be known as the War Assets Administration and the War Assets Administrator, respectively. The agencies established by Executive Order No. 9689 are abolished. The functions transferred by this section shall be performed by the War Assets Administrator or, subject to his direction and control, by such officers and agencies of the War Assets Administration as he may designate: *Provided*, That the functions specifically vested in the Surplus Property Administrator by the Surplus Property Act of 1944, as amended, and by the Act of September 18, 1945, shall be performed by the War Assets Administrator or by the Associate Administrator as provided in section 502 hereof.

[SEC. 502. Associate War Assets Administrator.—There shall be in the War Assets Administration an Associate War Assets Administrator, who shall be appointed by the President by and with the advice and consent of the Senate and shall receive compensation at the rate of \$10,000 per annum. The Associate War Assets Administrator shall act for the War Assets Administrator in all matters during the absence or disability of the Administrator, or in the event of a vacancy in the office of Administrator, and shall perform such other duties as the Administrator may prescribe.]

Section 502 (a) (2): That portion of the Act entitled “An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes”, approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption “Surplus Property Disposal”:

[“SURPLUS PROPERTY DISPOSAL

[Effective February 28, 1949, the Office of War Assets Administrator is abolished and the War Assets Administration shall cease to exist as an agency of the Government and its affairs, functions, and responsibilities shall thereafter be disposed of and liquidated in accordance with the following:

[(1) All powers, authority, functions and responsibilities of the War Assets Administrator and of the War Assets Administration pertaining to surplus real property, which as used herein shall mean land and interests in land together with buildings, fixtures, facilities, utilities, equipment, and other property located thereon or adapted to use in connection with such property for its highest and best use, and all right, title and interest in notes, mortgages, and contracts of sale or lease in connection with surplus real property shall be transferred to the Reconstruction Finance Corporation, to be held and disposed of by such Corporation in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

[(2) All aircraft and aircraft parts shall be transferred to the Department of the Air Force to be held and disposed of by such Department in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

[(3) All personal property (other than aircraft and aircraft parts), except such as may be necessary to the liquidation of the War Assets Administration or the exercise of the functions transferred herein, shall be transferred to the Bureau of Federal Supply, Treasury Department, to be held and disposed of by such Bureau in accordance, except as provided herein, with the terms of the Surplus Property Act of 1944, as amended;

[(4) Except as necessary to the administration of the functions herein transferred to the Department of the Air Force, the Reconstruction Finance Corporation, and the Bureau of Federal Supply, all administrative property, records, and accounts of the War Assets Administration shall be transferred to the Treasury Department for liquidation of the affairs of the War Assets Administration;

[(5) Such administrative property, records, and personnel of the War Assets Administration as determined by the Director of the Bureau of the Budget to be necessary to the administration of any of the functions herein transferred shall be transferred to the agency to which such function is transferred: *Provided*, That the right to retention in employment by the Government of the personnel so transferred shall be neither greater nor less than such right would have been had the War Assets Administration continued as an Independent agency of the Government;

[(6) The provisions of section 9 of the Reorganization Act of 1945 (Public Law 263, Seventy-ninth Congress) shall apply to the transfers effected by this

paragraph in like manner as if such transfer were a reorganization of the agencies and functions concerned under the provisions of that Act;

[(7) Priorities and preferences, provided for in the Surplus Property Act of 1944, as amended, shall not continue beyond August 31, 1948, as to the disposal of personal property but shall continue as to the disposal of real estate;

[(8) The agencies herein authorized to dispose of surplus personal property may, after the date of enactment hereof, transfer any of such property without charge to any other agency of the Government if such property, by such transfer, can be put to public use by the transferee agency;

[(9) The agencies herein authorized to dispose of surplus property shall proceed with due diligence and use all reasonable means within the purview of this Act and the Surplus Property Act of 1944, as amended, to accomplish such purpose at the earliest practicable date and shall report to the Committees on Appropriations of the Senate and the House of Representatives at the end of each month as to progress made;

[(10) The Secretary of the Treasury, the Secretary of the Air Force, or the Chairman of the Board of Directors of the Reconstruction Finance Corporation may authorize the abandonment, destruction, or donation to public bodies of personal property herein transferred to their respective agencies which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale;

[(11) The Surplus Property Act of 1944, as amended, shall not apply to property of the Government which has not been declared surplus under the terms of such Act as of the date of enactment hereof, and any such property determined to be surplus shall be disposed of in accordance with the terms of other existing law.]

Section 502 (a) (3): The Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army," approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258):

[That the Secretary of War be, and he is hereby, authorized in his discretion to dispose of, without charge, except for costs of transportation, handling, and packing, to such schools as he may select, for use in courses of vocational training and instruction, such machinery, mechanical equipment, and tools as may be obsolete or no longer needed by the Army.]

Section 502 (a) (4): The Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy," approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 435c):

[That the Secretary of the Navy be, and he is hereby, authorized in his discretion to dispose of, without charge, except for transportation and delivery, to properly accredited schools, colleges, and universities, for use in courses of vocational training and instruction, such machinery, mechanical equipment, tools, boats, and boat equipment as may be obsolete or no longer needed by the Navy.]

Section 502 (a) (5): Section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311):

[That the heads of the several executive departments and other responsible officials, in expending appropriations contained in this or any other Act, so far as possible shall purchase material, supplies, and equipment, when needed and funds are available, from other services of the Government possessing material, supplies, and equipment no longer required because of the cessation of war activities. It shall be the duty of the heads of the several executive departments and other officials, before purchasing any of the articles described herein, to ascertain from the other services of the Government whether they have articles of the character described that are serviceable, and articles purchased by one service from another, if the same have not been used, shall be paid for at a reasonable price not to exceed actual cost, and if the same have been used, at a reasonable price based upon length of usage. The various services of the Government are authorized to sell such articles under the conditions specified, and the proceeds of such sales shall be covered into the Treasury as a miscellaneous receipt: *Provided*, That this section shall not be construed to amend, alter, or repeal the Executive order of December 3, 1918, concerning the transfer of office material, supplies, and equipment in the District of Columbia falling into disuse because of the cessation of war activities.]

Section 502 (a) (6): Section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a):

[Provided, That the Executive order of December 3, 1918, shall apply to all materials, supplies, and equipment now or hereafter becoming surplus or unusable in any executive department of independent Government establishment in the District of Columbia and shall continue in effect hereafter without modification, except that the prices charged for reissued surplus materials, supplies, and equipment shall be the estimated current market value at time of issue, and that the proceeds from the transfer of appropriations thereunder shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That the heads of the executive departments and independent establishments and the Commissioners of the District of Columbia hereafter shall cooperate with the Secretary of the Treasury in connection with the storage and delivery of material, supplies, and equipment transferred under the foregoing provisions.]

Section 502 (a) (7): The Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress):

[That the Secretary of the Army, Secretary of the Navy and Secretary of the Air Force are hereby authorized in their discretion to donate for educational purposes in the States, Territories, and possessions without cost, except for costs of packing, transportation, and delivery, such equipment, materials, books, and other supplies as may be obsolete or no longer needed by the Army, Navy, or Air Force and which any such Secretary or the United States Commissioner of Education, Federal Security Agency, may consider usable for educational purposes.]

[SEC. 2. All property which the Secretary of the Army, Secretary of the Navy, or Secretary of the Air Force may so donate, except that donated in accordance with section 3 hereof, shall be allocated on the basis of needs and utilization by the United States Commissioner of Education for transfer by the owning agency directly to schools, colleges, or universities or to State Departments of Education, for distribution by the State to tax-supported schools, colleges, and universities and other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code; except in any State where another agency is designated by State law for such purposes such transfer shall be made to said agency for such distribution within the State.]

[SEC. 3. The Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force may donate such of the property specified in section 1 hereof as they consider usable for educational purposes to those educational activities that are of special interest to the armed services, such as maritime academies or military, naval, air force, or coast guard preparatory schools.]

Section 502 (a) (8): Section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1):

[In purchasing motor-propelled or animal-drawn vehicles or tractors, or road, agricultural, manufacturing, or laboratory equipment, or boats, or parts, accessories, tires, or equipment thereof, or any other article or item the exchange of which is authorized by law, the head of any department or his duly authorized representative may exchange allowances or proceeds of sales in such cases in whole or in part payment therefor: *Provided*, That any transaction carried out under the authority of this section shall be evidenced in writing.]

Section 502 (a) (9): The Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d):

[That any government department is authorized to exchange used parts of mechanical refrigerators, hermetically sealed refrigerating units, temperature-control devices and watchmen's clocks as payment, in full or in part, for new or reconditioned parts to be used for the same purpose as those proposed to be exchanged.]

Section 502 (a) (10): The second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture":

[Provided further that the Secretary of Agriculture may exchange typewriters and computing, addressing, and duplicating machines purchased from any lump-fund appropriation of the Department of Agriculture.**]**

Section 502 (a) (11): The second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494):

That not to exceed \$200,000 of applicable appropriations made herein for the Bureau of Indian Affairs shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of superintendents, farmers, physicians, field matrons, allotting, irrigation, and other employees in the Indian field service: *Provided*, That not to exceed \$15,000 may be used in the purchase of horse-drawn passenger-carrying vehicles, and not to exceed \$30,000 for the purchase of motor-propelled passenger-carrying vehicles, and that such vehicles shall be used only for official service: **[***Provided further*, That the Secretary of the Interior may hereafter exchange automobiles in part payment for new machines used for the same purpose as those proposed to be exchanged**]**.

Section 502 (a) (12): The twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9):

[The National Park Service may exchange hereafter, as part consideration, in the purchase of new equipment, motor vehicles, and any other equipment for use in the national parks.**]**

Section 502 (a) (13): The fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546):

[The Secretary of Agriculture may hereafter exchange general scientific apparatus and laboratory equipment purchased from any appropriation of the Department of Agriculture.**]**

Section 502 (a) (14): The proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548):

[Provided, That hereafter the Secretary of Agriculture may exchange books and periodicals of the library not needed for permanent use for other books and periodicals.**]**

Section 502 (a) (15): The second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271):

[*Provided further*, That hereafter sewing machines and other labor-saving machinery used in the manufacture of clothing and equipage, motor trucks and passenger-carrying vehicles, and band instruments, may be exchanged in part payment for new machines, vehicles, and instruments used for the same purpose as those proposed to be exchanged**]**.

Section 502 (a) (16): The Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a):

[That the Secretary of War be, and he is hereby, authorized to exchange obsolete, unsuitable, and unserviceable machines and tools, and parts thereof, pertaining to the manufacture or repair of ordnance matériel for use in the national defense, for new machines and tools of the same or equivalent general character.**]**

Section 502 (a) (17): The fifth paragraph under the heading "Office of the Chief Signal Officer" of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272):

[That subject to the approval of the Secretary of War, motor-propelled vehicles, airplanes, engines, and parts thereof, balloons, and appurtenances may be exchanged in part payment for new equipment of the same or similar character to be used for the same purposes as those proposed to be exchanged.]

Section 502 (a) (18): The third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273):

[Provided further, That hereafter the Signal Corps may exchange typewriters and adding machines in the purchase of similar equipment.]

Section 502 (a) (19): The fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66):

[Hereafter the Government branches under the direction of the Smithsonian Institution may exchange typewriters, adding machines, and other labor-saving devices in part payment for like articles.]

Section 502 (a) (20): The second paragraph under the heading "Government hospital for the insane" of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173):

[Authority is granted to sell or exchange condemned typewriting machines, laundry machinery, and other equipment, applying the proceeds therefrom to replacing new equipment for the Government Hospital for the Insane.]

Section 502 (a) (21): The second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174):

[Authority is granted hereafter to exchange laundry machinery and other equipment in purchasing new equipment of the same or like character.]

Section 502 (a) (22): The proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a):

[Provided, That hereafter worn-out typewriting and computing machines for the Naval Establishment may be exchanged as a part of the purchase price of new ones.]

Section 502 (a) (23): The second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532):

[Provided further, That hereafter worn-out motor-propelled vehicles for the Naval Establishment may be exchanged as a part of the purchase price of new ones.]

Section 502 (a) (24): The proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723):

[Provided, That hereafter worn-out sewing machines, machinery, rubber tires, and band instruments may be exchanged in part payment for the purchase of like articles.]

Section 502 (a) (25): The twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118):

[Authority is hereby granted to the Secretary of the Interior to exchange, as part consideration in the purchase of new equipment, motor vehicles and any

other equipment used by said fuel yards.】 (Functions in respect to fuel yards were subsequently transferred by Executive Orders to the Bureau of Federal Supply in the Treasury Department.)

Section 502 (a) (26): The first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26):

【That the ~~executive~~ departments and other Government establishments and all branches of the public service may hereafter exchange typewriters, adding machines, and other similar labor-saving devices in part payment for new machines used for the same purpose as those proposed to be exchanged.】

Section 502 (a) (27): The third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58):

【Hereafter the Interstate Commerce Commission may exchange typewriters, adding machines, and other labor-saving devices in part payment for like articles.】

Section 502 (a) (28): The Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b):

【That the Secretary of the Navy, insofar as Navy property is concerned, and the Secretary of the Treasury, insofar as Coast Guard property is concerned, are respectively authorized to exchange motor-propelled vehicles, airplanes, engines, and parts thereof, and obsolete, unsuitable, and unserviceable machines and tools, and parts thereof, in part payment for new equipment of the same or similar character as those proposed to be exchanged.】

Section 502 (a) (29): The word "proportionate" and the words "including, breaking, shrinkage, transportation, cost of handling, by the Treasury Department, and inspection", appearing in section 2, of the Act of February 27, 1929 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)):

SEC. 2. That each executive department and independent establishment shall furnish from time to time, when called on to do so, estimates of its requirements for inclusion in purchases which it is proposed to have made by the Secretary of the Treasury, and there shall be reserved from proper appropriations sufficient amounts in each case to reimburse the general supply fund hereinafter created. The General Supply Committee shall charge the 【proportionate】 cost of supplies, 【including breakage, shrinkage, transportation, cost of handling by the Treasury Department, and inspection,】 and bill the same to each requisitioning department; and each requisitioning department and independent establishment shall reimburse said general supply fund out of its appropriation upon proper vouchers.

Section 502 (b): The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms:

【SECTION 1. PROCUREMENT

【The function of determination of policies and methods of procurement, warehousing, and distribution of property, facilities, structures, improvements, machinery, equipment, stores, and supplies exercised by any agency is transferred to a Procurement Division in the Treasury Department, at the head of which shall be a Director of Procurement.

* * * * *

【In respect of any kind of procurement, warehousing, or distribution for any agency the Procurement Division may, with the approval of the President, (a) undertake the performance of such procurement, warehousing, or distribution itself, or (b) permit such agency to perform such procurement, warehousing, or distribution, or (c) entrust such performance to some other agency, or (d) avail itself in part of any of these recourses, according as it may deem desirable in the interest of economy and efficiency. When the Procurement Division has pre-

scribed the manner of procurement, warehousing, or distribution of any thing no agency shall thereafter procure, warehouse, or distribute such thing in any manner other than so prescribed.

* * * * *

【The Procurement Division shall also have control of all property, facilities, structures, machinery, equipment, stores, and supplies not necessary to the work of any agency; may have custody thereof or entrust custody to any other agency; and shall furnish the same to agencies as need therefor may arise.】

* * * * *



[Report No. 670]

MAY 18, 1949

MAY 24, 1949

[Omit the part struck through and insert the part printed in *italic*]

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 106. Redistribution of functions.
- Sec. 107. Transfer of funds.
- Sec. 108. Status of transferred employees.
- Sec. 109. Salaries of officers.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
- Sec. 202. Property utilization.
- Sec. 203. Disposal of surplus property.
- Sec. 204. Proceeds from transfer or disposition of property.
- Sec. 205. Policies, regulations, and delegations.
- Sec. 206. Surveys and standardization *and cataloging*.
- Sec. 207. Applicability of antitrust laws.
- Sec. 208. Employment of personnel.
- Sec. 209. Civil remedies and penalties.
- Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
- Sec. 402. Methods and terms of disposal.
- Sec. 403. Proceeds; foreign currencies.
- Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
- Sec. 502. Repeal and saving provisions.
- Sec. 503. Authorization for appropriations.
- Sec. 504. Separability.
- Sec. 505. Effective date.

1

DECLARATION OF POLICY

2

SEC. 2. It is the intent of the Congress in enacting this

3

legislation to provide for the Government an economical and

4

efficient system for (a) the procurement and supply of per-

1 sonal property and nonpersonal services, including related
 2 functions such as contracting, inspection, storage, issue,
 3 specifications, property identification and classification,
 4 transportation and traffic management, management of
 5 ~~public utility~~ *public utility* services, repairing and converting,
 6 establishment of inventory levels, establishment of forms and
 7 procedures, and representation before Federal and State
 8 regulatory bodies; (b) the utilization of available property;
 9 (c) the disposal of surplus property; and (d) records
 10 management.

11 DEFINITIONS

12 SEC. 3. As used in this Act—

13 (a) The term “executive agency” means any executive
 14 department or independent establishment in the executive
 15 branch of the Government, including any wholly owned
 16 Government corporation.

17 (b) The term “Federal agency” means any executive
 18 agency or any establishment in the legislative or judicial
 19 branch of the Government.

20 (c) The term “Administrator” means the Administrator
 21 of General Services provided for in title I hereof.

22 (d) The term “property” means any interest in prop-
 23 erty of any kind except ~~(i)~~ (1) the public domain and lands
 24 reserved or dedicated for national forest or national park
 25 purposes; and ~~(ii)~~ (2) naval vessels of the following cate-

1 gories: Battleships, cruisers, aircraft carriers, destroyers, and
2 submarines.

3 (e) The term "excess property" means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term "foreign excess property" means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term "surplus property" means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of any Federal agency, as determined
14 by the Administrator.

15 (h) The term "care and handling" includes complet-
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling,
18 conserving, and transporting excess and surplus property,
19 and, in the case of property which is dangerous to public
20 health or safety, destroying or rendering innocuous such
21 property.

22 (i) The term "person" includes any corporation, part-
23 nership, firm, association, trust, estate, or other entity.

24 (j) The term "nonpersonal services" means such con-

1 tractual services, other than personal and professional
2 services, as the Administrator shall designate.

3 (k) The term "contractor inventory" means ~~(i)~~ (1)
4 any property acquired by and in the possession of a con-
5 tractor or subcontractor under a contract pursuant to the
6 terms of which title is vested in the Government, and in
7 excess of the amounts needed to complete full performance
8 under the entire contract; and ~~(ii)~~ (2) any property which
9 the Government is obligated to take over under any type
10 of contract as a result either of any changes in the speci-
11 fications or plans thereunder or of the termination of such
12 contract (or subcontract thereunder), prior to completion
13 of the work, for the convenience or at the option of the
14 Government.

15 TITLE I—ORGANIZATION

16 GENERAL SERVICES ADMINISTRATION

17 SEC. 101. (a) There is hereby established an agency
18 in the executive branch of the Government which shall be
19 known as the General Services Administration.

20 (b) There shall be at the head of the General Services
21 Administration an Administrator of General Services who
22 shall be appointed by the President by and with the advice
23 and consent of the Senate and perform his functions subject
24 to the direction and control of the President.

1 (c) There shall be in the General Services Administra-
2 tion a Deputy Administrator of General Services who shall
3 be appointed by the Administrator of General Services.
4 The Deputy Administrator shall perform such functions as
5 the Administrator shall designate and shall be Acting
6 Administrator of General Services during the absence or
7 disability of the Administrator and, unless the President shall
8 designate another officer of the Government, in the event of
9 a vacancy in the office of Administrator.

10 (d) Pending the first appointment of the Adminis-
11 trator under the provisions of this section the President may
12 designate the Federal Works Administrator in office immedi-
13 ately prior to the taking effect of the provisions of this Act
14 to perform temporarily the functions of the Administrator
15 of General Services; and such designee, while serving in
16 this capacity under this subsection shall receive the com-
17 pensation of the Administrator of General Services.

18 TRANSFER OF BUREAU OF FEDERAL SUPPLY

19 SEC. 102. (a) The Bureau of Federal Supply in the
20 Department of the Treasury and its functions, records, prop-
21 erty, personnel, obligations, and commitments, are hereby
22 transferred from the Department of the Treasury to the
23 General Services Administration, together with such addi-
24 tional records, property, and personnel of the Department of
25 the Treasury as the Director of the Bureau of the Budget shall

determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V of this Act. There shall be at the head of the Bureau of Federal Supply a Commissioner of Federal Supply, who shall be appointed by the Administrator. The functions of (1) the Director of the Bureau of Federal Supply, (2) the personnel of such Bureau, and (3) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services ~~Agency~~ *Administration* as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments,

1 and unexpended balances (available or to be made available)
2 of appropriations, allocations, and other funds of the Treas-
3 ury Department as the Director of the Bureau of the Budget
4 shall determine to relate primarily to the functions trans-
5 ferred by the provisions of this subsection.

6 (c) Any other provision of this section notwithstanding
7 there may be retained in the Department of the Treasury
8 any function referred to in subsection (a) of this section
9 which the Director of the Bureau of the Budget shall, within
10 ten days after the effective date of this Act, determine to be
11 essential to the orderly administration of the affairs of the
12 agencies of such Department, other than the Bureau of Fed-
13 eral Supply, together with such records, property, personnel,
14 obligations, commitments, and unexpended balances of ap-
15 propriations, allocations, and other funds, available or to be
16 made available, of said Department, as said Director shall
17 determine.

18 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

19 SEC. 103. (a) There are hereby transferred to the
20 General Services Administration (1) the Public Buildings
21 Administration, which shall hereafter be known as the
22 Bureau of Public Buildings, and its functions, records, prop-
23 erty, personnel, obligations, and commitments; (2) the Pub-
24 lic Roads Administration, which shall hereafter be known
25 as the Bureau of Public Roads, and its functions, records,

1 property, personnel, obligations, and commitments; and
 2 (3) all other functions, records, property, personnel, obliga-
 3 tions, and commitments of the Federal Works Agency;
 4 (4) all functions of the Federal Works Administrator and
 5 all functions of the Commissioner of Public Buildings and
 6 the Commissioner of Public Roads are hereby transferred
 7 to the Administrator of General Services.

8 (b) There are hereby abolished the Federal Works
 9 Agency, the office of Federal Works Administrator, and the
 10 office of Assistant Federal Works Administrator.

11 (c) Without regard to the provisions of section 103 (b),
 12 the President may continue, for such duration as he shall
 13 determine, as a constituent agency of the General Services
 14 Administration, the heretofore existing Bureau of Community
 15 Facilities of the Federal Works Agency.

16 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL
 17 ARCHIVES

18 SEC. 104. (a) The National Archives Establishment
 19 and its functions, records, property, personnel, obligations,
 20 and commitments are hereby transferred to the General Serv-
 21 ices Administration. There are transferred to the Adminis-
 22 trator (1) the functions of the Archivist of the United States,
 23 except his functions under the Act of July 7, 1943 (57 Stat.
 24 380, as amended), which excepted functions shall be per-

1 formed by the Archivist subject to the direction and control
2 of the Administrator, and except that the Archivist shall
3 continue to be a member or chairman, as the case may be,
4 of the bodies referred to in subsection (b) of this section,
5 and (2) the functions of the Director of the Division of the
6 Federal Register of the National Archives Establishment.
7 The Archivist of the United States shall hereafter be ap-
8 pointed by the Administrator.

9 (b) There are also transferred to the General Services
10 Administration the following bodies, together with their
11 respective functions and such funds as are derived from
12 Federal sources: (1) The National Archives Council and
13 the National Historical Publications Commission, established
14 by the Act of June 19, 1934 (48 Stat. 1122), (2) the
15 National Archives Trust Fund Board, established by the
16 Act of July 9, 1941 (55 Stat. 581), (3) the Board of
17 Trustees of the Franklin D. Roosevelt Library, established
18 by the Joint Resolution of July 18, 1939 (53 Stat. 1062),
19 and (4) the Administrative Committee established by sec-
20 tion 6 of the Act of July 26, 1935 (49 Stat. 501), which
21 shall hereafter be known as the Administrative Committee
22 of the Federal Register. The authority of the Adminis-
23 trator under section 106 hereof shall not extend to the
24 bodies or functions affected by this subsection.

1 TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR

2 ASSETS ADMINISTRATION

3 SEC. 105. The functions, records, property, personnel,
4 obligations, and commitments of the War Assets Admin-
5 istration are hereby transferred to the General Services
6 Administration. The functions of the War Assets Admin-
7 istrator are hereby transferred to the Administrator of
8 General Services. The War Assets Administration, the
9 office of the War Assets Administrator, and the office
10 of Associate War Assets Administrator are hereby abolished.
11 Personnel now holding appointments granted under the
12 second sentence of section 5 (b) of the Surplus Property
13 Act of 1944, as amended, may be continued in such posi-
14 tions or may be appointed to similar positions for such time
15 as the Administrator may determine.

16 REDISTRIBUTION OF FUNCTIONS

17 SEC. 106. The Administrator is hereby authorized, in
18 his discretion and from time to time, to regroup, transfer,
19 and distribute any functions within the General Services
20 Administration, in order to effectively accomplish such func-
21 tions. The Administrator is hereby authorized to transfer
22 the funds necessary to accomplish said functions and report
23 such transfers of funds to the Director of the Bureau of the
24 Budget.

TRANSFER OF FUNDS

SEC. 107. All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

SALARIES OF OFFICERS

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services,

1 the Commissioner of Federal Supply, the Commissioner of
2 Public Buildings, the Archivist of the United States, and
3 the Commissioner of Public Roads, and without regard
4 to existing provisions of law governing such compensa-
5 tion, the President shall fix for each of them a rate of
6 compensation which he shall deem to be commensurate with
7 the responsibilities and duties of the respective offices
8 involved.

9 TITLE II—PROPERTY MANAGEMENT

10 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

11 SEC. 201. (a) The Administrator shall, in respect of
12 executive agencies, and to the extent that he determines
13 that so doing is advantageous to the Government in terms
14 of economy, efficiency, or service, and with due regard to
15 the program activities of the agencies concerned—

16 (1) prescribe policies and methods of procurement
17 and supply of personal property and nonpersonal serv-
18 ices, including related functions such as contracting,
19 inspection, storage, issue, property identification and
20 classification, transportation and traffic management,
21 management of ~~public-utility~~ *public utility* services,
22 repairing and converting; and

23 (2) operate, and, after consultation with the execu-
24 tive agencies affected, consolidate, take over, or arrange
25 for the operation by any executive agency of ware-

houses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1) ; and

(4) with respect to transportation and other ~~public-utility~~ *public utility* services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, upon its request.

1 (c) In acquiring personal property, any executive
2 agency, under regulations to be prescribed by the Admin-
3 istrator, may exchange or sell similar items, and may apply
4 the exchange allowance or proceeds of sale in such cases in
5 whole or in part payment for the property acquired: *Pro-*
6 *vided*, That any transaction carried out under the authority
7 of this subsection shall be evidenced in writing.

8 (d) Section 3709 of the Revised Statutes, as amended
9 (41 U. S. C. 5), is hereby further amended by striking out
10 the figures "\$100" wherever they appear and inserting in
11 lieu thereof the figures "\$500".

12 (e) Section 2 of the Act of February 27, 1929 (ch.
13 ~~354~~ 354, 45 Stat. 1342; 41 U. S. C. (7b)), is
14 hereby amended to read as follows: "Each executive
15 department and independent establishment shall furnish
16 from time to time, when called on to do so, estimates
17 of its requirements for inclusion in purchases which
18 it is proposed to have made by the Administrator of General
19 Services, and there shall be reserved from proper appropria-
20 tions sufficient amounts in each case to reimburse the general
21 supply fund hereinafter created. The Administrator of
22 General Services shall charge the estimated cost of supplies,
23 and bill the same to each requisitioning department and inde-
24 pendent establishment; and each such requisitioning depart-
25 ment and establishment shall reimburse said general supply

1 fund out of its appropriation upon proper vouchers. Other
2 expenses such as, breakage, shrinkage, inspection, and han-
3 dling by the General Services Administration shall be charged
4 to funds appropriated to cover such expense.”

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
PROPERTY UTILIZATION

6 SEC. 202. (a) In order to minimize expenditures for
7 property, the Administrator shall prescribe policies and
8 methods to promote the maximum utilization of excess prop-
9 erty by executive agencies, and he shall provide for the
10 transfer of excess property among Federal agencies.

11 (b) Each executive agency shall (1) maintain ade-
12 quate inventory controls and accountability systems for the
13 property under its control, (2) continuously survey prop-
14 erty under its control to determine which is excess property,
15 and promptly report such property to the Administrator,
16 (3) perform the care and handling of such excess property,
17 and (4) transfer or dispose of such property as promptly
18 as possible in accordance with authority delegated and
19 regulations prescribed by the Administrator.

20 (c) Each executive agency shall, as far as practicable,
21 (1) make reassignments of property among activities within
22 the agency when such property is determined to be no longer
23 required for the purposes of the appropriation from which
24 it was purchased, (2) transfer excess property under its

1 control to other Federal agencies, and (3) obtain excess
2 property from other Federal agencies.

3 (d) Under existing provisions of law and procedures
4 defined by the Secretary of Defense, and without regard to
5 the requirements of this section except subsection (f) ex-
6 cess property of one of the departments of the National Mili-
7 tary Establishment may be transferred to another depart-
8 ment thereof.

9 (e) Transfers of excess property between Federal agen-
10 cies (except transfers for redistribution to other Federal
11 agencies or for disposal as surplus property) shall be at the
12 fair value thereof, as determined by, or pursuant to regula-
13 tions of, the Administrator, unless such transfer is other-
14 wise authorized by any law approved subsequent to June
15 21, 1944, to be without reimbursement or transfer of funds.

16 (f) The Director of the Bureau of the Budget shall
17 prescribe regulations providing for the reporting to said
18 Director by executive agencies of such reassignments or
19 transfers of property between activities financed by different
20 appropriations as he shall deem appropriate, and the re-
21 assignments and transfers so reported shall be reported to
22 the Congress in the annual budget or otherwise as said
23 Director may determine.

(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial ~~value~~; *value* or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive

1 agency in possession thereof or by any other executive
2 agency consenting thereto.

3 (c) Any executive agency designated or authorized
4 by the Administrator to dispose of surplus property may do
5 so by sale, exchange, lease, permit, or transfer, for cash,
6 credit, or other ~~property~~ *property*, with or without war-
7 ranty, and upon such other terms and conditions as the
8 Administrator deems proper, and it may execute such docu-
9 ments for the transfer of title or other interest in property
10 and take such other action as it deems necessary or proper
11 to dispose of such property under the provisions of this title.

12 (d) A deed, bill of sale, lease, or other instrument
13 executed by or on behalf of any executive agency purporting
14 to transfer title or any other interest in surplus property
15 under this title shall be conclusive evidence of compliance
16 with the provisions of this title insofar as concerns title or
17 other interest of any bona fide grantee or transferee for value
18 and without notice of lack of such compliance.

19 (e) Unless the Administrator shall determine that dis-
20 posal by advertising will in a given case better protect the
21 public interest, surplus property disposals may be made with-
22 out regard to any provision of existing law for advertising
23 until 12 o'clock noon, eastern standard time, December 31,
24 1949.

25 (f) Subject to regulations of the Administrator, any

1 executive agency may authorize any contractor with such
2 agency or subcontractor thereunder to retain or dispose of
3 any contractor inventory.

4 (g) The Administrator, in formulating policies with
5 respect to the disposal of surplus agricultural commodities,
6 surplus foods processed from agricultural commodities, and
7 surplus cotton or woolen goods, shall consult with the Sec-
8 retary of Agriculture. Such policies shall be so formulated
9 as to prevent surplus agricultural commodities, or surplus
10 food processed from agricultural commodities, from being
11 dumped on the market in a disorderly manner and dis-
12 rupting the market prices for agricultural commodities.

13 (h) Whenever the Secretary of Agriculture determines
14 such action to be required to assist him in carrying out his
15 responsibilities with respect to price support or stabilization,
16 the Administrator shall transfer without charge to the De-
17 partment of Agriculture any surplus agricultural commod-
18 ities, foods, or cotton or woolen goods to be disposed of.
19 Receipts resulting from disposal by the Department of
20 Agriculture under this subsection shall be deposited pursuant
21 to any authority available to the Secretary of Agriculture,
22 except that net proceeds of any sale of surplus property
23 so transferred shall be credited pursuant to section 204 (b),
24 when applicable. Surplus farm commodities so transferred
25 shall not be sold, other than for export, in quantities in

1 excess of, or at prices less than, those applicable with respect
2 to sales of such commodities by the Commodity Credit
3 Corporation.

4 (i) The United States Maritime Commission shall dis-
5 pose of surplus vessels of one thousand five hundred gross
6 tons or more which the Commission determines to be mer-
7 chant vessels or capable of conversion to merchant use, and
8 such vessels shall be disposed of only in accordance with the
9 provisions of the Merchant Marine Act, 1936, as amended,
10 and other laws authorizing the sale of such vessels.

11 (j) (1) Under such regulations as he may prescribe,
12 the Administrator is authorized in his discretion to donate
13 for educational purposes in the States, Territories, and
14 possessions without cost (except for costs of care and
15 handling) such equipment, materials, books, or other sup-
16 plies under the control of any executive agency as shall have
17 been determined to be surplus property and which shall have
18 been determined under paragraph 2 or paragraph 3 of this
19 subsection to be usable *and necessary* for educational
20 purposes.

21 (2) Determination whether such surplus property (ex-
22 cept surplus property donated in conformity with paragraph
23 3 of this subsection) is usable and necessary for educational
24 purposes shall be made by the Federal Security Adminis-
25 trator, who shall allocate such property on the basis of needs

1 and utilization for transfer by the Administrator of General
2 Services to tax-supported school systems, schools, colleges,
3 and universities, and to other nonprofit schools, colleges, and
4 universities which have been held exempt from taxation under
5 section 101 (6) of the Internal Revenue Code, or to State
6 departments of education for distribution to such tax-sup-
7 ported and ~~non-profit~~ *nonprofit* school systems, schools, col-
8 leges, and universities; except that in any State where
9 another agency is designated by State law for such purpose
10 such transfer shall be made to said agency for such distribu-
11 tion within the State.

12 (3) In the case of surplus property under the control of
13 the National Military Establishment, the Secretary of De-
14 fense shall determine whether such property is usable and
15 necessary for educational activities that are of special in-
16 terest to the armed services, such as maritime academies
17 or military, naval, Air Force, or Coast Guard preparatory
18 schools. If such Secretary shall determine that such prop-
19 erty is usable and necessary for such purposes, he shall
20 allocate it for transfer by the Administrator to such educa-
21 tional activities. If he shall determine that such property
22 is not usable and necessary for such purposes, it may be
23 disposed of in accordance with paragraph 2 of this subsection.

24 (k) Subject to the disapproval of the Administrator

1 within thirty days after the proposal of any action to be
2 taken under this subsection—

3 (1) the Federal Security Administrator, in
4 the case of property transferred pursuant to the Sur-
5 plus Property Act of 1944, as amended, to States,
6 political subdivisions and instrumentalities thereof, and
7 tax-supported and other nonprofit educational insti-
8 tutions for school, classroom, or other educational use;

9 (2) the Federal Security Administrator, in the
10 case of property transferred pursuant to the Surplus
11 Property Act of 1944, as amended, to States, political
12 subdivisions and instrumentalities thereof, tax-supported
13 medical institutions, and to hospitals and other similar
14 institutions not operated for profit, for use in the pro-
15 tection of public health (including research) ;

16 (3) The Secretary of the Interior, in the case of
17 property transferred pursuant to the Surplus Property
18 Act of 1944, as amended, to States, political subdivisions
19 and instrumentalities thereof, and municipalities for use
20 as a public park, public recreational area, or historic
21 monument for the benefit of the public; or

22 (4) the Secretary of Defense, in the case of prop-
23 erty transferred pursuant to the Surplus Property Act
24 of 1944, as amended, to States, political subdivisions and

1 tax-supported instrumentalities thereof for use in the
2 training and maintenance of civilian components of the
3 armed forces,

4 is authorized and directed—

5 (A) to determine and enforce compliance with the
6 terms, conditions, reservations, and restrictions con-
7 tained in any instrument by which such transfer was
8 made;

9 (B) to reform, correct, or amend any such instru-
10 ment by the execution of a corrective, reformatory, or
11 amendatory instrument where necessary to correct such
12 instrument or to conform such transfer to the require-
13 ments of applicable law; and

14 (C) to (i) grant releases from any of the terms,
15 conditions, reservations, and restrictions contained in,
16 and (ii) convey, quitclaim, or release any right or
17 interest reserved to the United States by, any instru-
18 ment by which such transfer was made, if he deter-
19 mines that the property so transferred no longer serves
20 the purpose for which it was transferred, and that such
21 release, conveyance, or quitclaim deed will not prevent
22 accomplishment of the purpose for which such prop-
23 erty was so transferred: *Provided*, That any such re-
24 lease, conveyance, or quitclaim deed may be granted
25 on, or made subject to, such terms and conditions as

1 he shall deem necessary to protect or advance the
2 interests of the United States.

3 (1) The Administrator is authorized to take possession
4 of abandoned and other unclaimed property on premises
5 owned or leased by the Government, to determine when
6 title thereto vested in the United States, and to utilize,
7 transfer or otherwise dispose of such property. Former
8 owners of such property upon proper claim filed within three
9 years from the date of vesting of title in the United States
10 shall be paid the proceeds realized from the disposition of
11 such property or, if the property is used or transferred, the
12 fair value therefor as of the time title was vested in the
13 United States as determined by the Administrator, less in
14 either case the costs incident to the care and handling of
15 such property as determined by the Administrator.

16 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

17 SEC. 204. (a) All proceeds under this title from any
18 transfer of excess property to a Federal agency for its use,
19 or from any sale, lease, or other disposition of surplus prop-
20 erty, shall be covered into the Treasury as miscellaneous
21 receipts, except as provided in subsections (b), (c), and
22 (d) of this section.

23 (b) Where the property transferred or disposed of was
24 acquired by the use of funds either not appropriated from

1 the general fund of the Treasury or appropriated therefrom
2 but by law reimbursable from assessment, tax, or other rev-
3 enue or receipts, then the net proceeds of the disposition or
4 transfer shall be credited to the reimbursable fund or ap-
5 propriation or paid to the Federal agency which determined
6 such property to be excess: *Provided*, That the proceeds
7 shall be credited to miscellaneous receipts in any case when
8 the agency which determined the property to be excess shall
9 deem it uneconomical or impractical to ascertain the amount
10 of net proceeds. As used in this subsection, the term "net
11 proceeds of the disposition or transfer" means the proceeds
12 of the disposition or transfer minus all expenses incurred
13 for care and handling and disposition or transfer.

14 (c) Any Federal agency disposing of surplus property
15 under this title (1) may deposit, in a special account with
16 the Treasurer of the United States, such amount of the
17 proceeds of such dispositions as it deems necessary to permit
18 appropriate refunds to purchasers when any disposition is
19 rescinded or does not become final, or payments for breach
20 of any warranty, and (2) may withdraw therefrom amounts
21 so to be refunded or paid, without regard to the origin of
22 the funds withdrawn.

23 (d) Where any contract entered into by an executive
24 agency or any subcontract under such contract authorizes
25 the proceeds of any sale of property in the custody of the

1 contractor or subcontractor to be credited to the price or
2 cost of the work covered by such contract or subcontract,
3 the proceeds of any such sale shall be credited in accordance
4 with the contract or subcontract.

5 (e) Where any mortgage, lien, or other interest as
6 security is retained in connection with any disposition of
7 surplus property under this title, the Administrator shall
8 preserve and manage such security and may enforce and
9 settle any right of the Government with respect thereto in
10 such manner and upon such terms as he deems in the best
11 interest of the Government.

12 POLICIES, REGULATIONS, AND DELEGATIONS

13 SEC. 205. (a) The President may prescribe such poli-
14 cies and directives, not inconsistent with the provisions of
15 this Act, as he shall deem necessary to effectuate the pro-
16 visions of this Act, which policies and directives shall govern
17 the Administrator and executive agencies in carrying out
18 their respective functions hereunder.

19 (b) The Comptroller General after considering the
20 needs and requirements of the executive agencies shall pre-
21 scribe principles and standards of accounting for property,
22 cooperate with the Administrator and with the executive
23 agencies in the development of property accounting systems
24 and approve such systems when deemed to be adequate and
25 in conformity with prescribed principles and standards.

1 From time to time the General Accounting Office shall
2 examine such property accounting systems as are estab-
3 lished by the executive agencies to determine the extent
4 of compliance with prescribed principles and standards and
5 approved systems, and the Comptroller General shall report
6 to the Congress any failure to comply with such principles
7 and standards or to adequately account for property.

8 (c) The Administrator shall prescribe such regulations
9 as he deems necessary to effectuate his functions under
10 this Act, and the head of each executive agency shall cause
11 to be issued such orders and directives as such head deems
12 necessary to carry out such regulations.

13 (d) The Administrator is authorized to delegate and to
14 authorize successive redelegation of any authority trans-
15 ferred to or vested in him by this Act (except for the au-
16 thority to issue regulations on matters of policy having
17 application to executive agencies, the authority contained
18 in section 106, and as otherwise provided in this Act) to
19 any official in the General Services Administration or to
20 the head of any other Federal agency.

21 (e) With respect to any function transferred to or
22 vested in the General Services Agency or the Administrator
23 by this Act, the Administrator may (1) direct the under-
24 taking of its performance by the General Services Administra-
25 tion or by any constituent organization therein which he may

1 designate or establish; or (2) designate and authorize any
2 executive agency to perform such function for itself; or (3)
3 designate and authorize any other executive agency to per-
4 form such function; or (4) provide for such performance
5 by any combination of the foregoing methods. Any designa-
6 tion or assignment of functions or delegation of authority to
7 another executive agency under this section shall be made
8 only with the consent of the executive agency concerned,
9 or upon direction of the President.

10 (f) When any executive agency (including the
11 General Services Administration and constituent organiza-
12 tions thereof) is authorized and directed by the Administrator
13 to carry out any function under this Act, the Administrator
14 may, with the approval of the Director of the Bureau of the
15 Budget, provide for the transfer of appropriate personnel,
16 records, property, and allocated funds of the General Services
17 Administration, or of such other executive agency as has
18 theretofore carried out such function, to the executive agency
19 so authorized and directed.

20 (g) The Administrator may establish advisory
21 committees, to advise with him with respect to any
22 function transferred to or vested in the Administrator by
23 this Act. The members thereof shall serve without compen-
24 sation but shall be entitled to transportation and not to
25 exceed \$25 per diem in lieu of subsistence, as authorized

1 by section 5 of the Act of August 2, 1946 (5 U. S. C.
2 73b-2), for persons so serving.

3 (h) The Administrator shall advise and consult with
4 interested Federal agencies with a view to obtaining their
5 advice and assistance in carrying out the purposes of this
6 title.

7 SURVEYS, STANDARDIZATION AND CATALOGING

8 SEC. 206. (a) As he may deem necessary for the effec-
9 tuation of his functions under this title, and after adequate
10 advance notice to the executive agencies affected, and with
11 due regard to the requirements of the National Military
12 Establishment as determined by the Secretary of Defense, the
13 Administrator is authorized (1) to make surveys of Govern-
14 ment property and property management practices and obtain
15 reports thereon from executive agencies; (2) to cooperate
16 with executive agencies in the establishment of reasonable
17 inventory levels for property stocked by them and from time
18 to time report any excessive stocking to the Congress and
19 to the Director of the Bureau of the Budget; (3) to estab-
20 lish and maintain such uniform Federal supply catalog system
21 as may be appropriate to identify and classify personal prop-
22 erty under the control of Federal agencies: *Provided*, That
23 the Administrator and the Secretary of Defense shall co-
24 ordinate the cataloging activities of the General Services
25 Agency and the National Military Establishment so as

1 to avoid unnecessary duplication; and (4) to prescribe
2 standardized forms and procedures, except such as the Comp-
3 troller General is authorized by law to prescribe, and
4 standard purchase specifications.

5 (b) Each Federal agency shall utilize such uniform
6 Federal supply catalog system and standard purchase speci-
7 fications, except as the Administrator, taking into considera-
8 tion efficiency, economy, and other interests of the
9 Government, shall otherwise provide.

10 (c) The General Accounting Office shall audit all types
11 of property accounts and transactions at such times and in
12 such manner as determined by the Comptroller General.
13 Such audit shall be conducted as far as practicable at the
14 place or places where the property or records of the execu-
15 tive agencies are kept and shall include but not necessarily
16 be limited to an evaluation of the effectiveness of internal
17 controls and audits, and a general audit of the discharge of
18 accountability for Government-owned or controlled property
19 based upon generally accepted principles of auditing.

20 APPLICABILITY OF ANTITRUST LAWS

21 SEC. 207. Whenever any executive agency shall begin
22 negotiations for the disposition to private interests
23 of a plant or plants, or other property, which cost
24 the Government \$1,000,000 or more, or of patents,
25 processes, techniques, or inventions, irrespective of cost,

1 the executive agency shall promptly notify the Attorney
2 General of the proposed disposal and the probable terms
3 or conditions thereof. Within a reasonable time, in no
4 event to exceed ninety days after receiving such notifica-
5 tion, the Attorney General shall advise the Administrator
6 and the interested executive agency whether, insofar as he
7 can determine, the proposed disposition would tend to create
8 or maintain a situation inconsistent with the antitrust laws.
9 Upon the request of the Attorney General, the Adminis-
10 trator or interested executive agency shall furnish or cause
11 to be furnished such information as it may possess which
12 the Attorney General determines to be appropriate or neces-
13 sary to enable him to give the advice called for by this
14 section or to determine whether any other disposition or
15 proposed disposition of surplus property violates the antitrust
16 laws. Nothing in this Act shall impair, amend, or modify
17 the antitrust laws or limit and prevent their application to
18 persons who buy or otherwise acquire property under the
19 provisions of this Act. As used in this section, the term
20 "antitrust laws" includes the Act of July 2, 1890 (ch. 647,
21 26 Stat. 209), as amended; the Act of October 15, 1914
22 (ch. 323, 38 Stat. 730), as amended; the Federal Trade
23 Commission Act (38 Stat. 717), as amended; and sections
24 73 and 74 of the Act of August 27, 1894 (28 Stat. 570),
25 as amended.

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classifications laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including per-

1 sonnel of the armed services, with the consent of the head of
2 the agency concerned.

3 CIVIL REMEDIES AND PENALTIES

4 SEC. 209. (a) Where any property is transferred or
5 disposed of in accordance with this Act and any regulations
6 prescribed hereunder, no officer or employee of the Govern-
7 ment shall (1) be liable with respect to such transfer or
8 disposition except for his own fraud, or (2) be accountable
9 for the collection of any purchase price for such property
10 which is determined to be uncollectible by the Federal agency
11 responsible therefor.

12 (b) Every person who shall use or engage in, or cause
13 to be used or engaged in, or enter into an agreement, com-
14 bination, or conspiracy to use or engage in or to cause to
15 be used or engaged in, any fraudulent trick, scheme, or
16 device, for the purpose of securing or obtaining, or aiding to
17 secure or obtain, for any person any payment, property, or
18 other benefits from the United States or any Federal agency
19 in connection with the procurement, transfer, or disposition
20 of property hereunder—

21 (1) shall pay to the United States the sum of
22 \$2,000 for each such act, and double the amount of any
23 damage which the United States may have sustained by
24 reason thereof, together with the cost of suit; or

25 (2) shall, if the United States shall so elect, pay

1 to the United States, as liquidated damages, a sum equal
2 to twice the consideration agreed to be given by the
3 United States or any Federal agency to such person or
4 by such person to the United States or any Federal
5 agency, as the case may be; or

6 (3) shall, if the United States shall so elect, re-
7 store to the United States the money or property thus
8 secured and obtained and the United States shall retain
9 as liquidated damages any property, money, or other
10 consideration given to the United States or any Federal
11 agency for such money or property, as the case may be.

12 (c) The several district courts of the United States,
13 the District Court of the United States for the District of
14 Columbia, and the several district courts of the Territories
15 and possessions of the United States, within whose jurisdic-
16 tional limits the person, or persons, doing or committing such
17 act, or any one of them, resides or shall be found, shall where-
18 soever such act may have been done or committed, have
19 full power and jurisdiction to hear, try, and determine such
20 suit, and such person or persons as are not inhabitants of
21 or found within the district in which suit is brought may
22 be brought in by order of the court to be served personally
23 or by publication or in such other reasonable manner as the
24 court may direct.

25 (d) The civil remedies provided in this section shall

1 be in addition to all other criminal penalties and civil
2 remedies provided by law.

3 REPORTS TO CONGRESS

4 SEC. 210. The Administrator shall submit a report to
5 the Congress, in January of each year and at such other
6 times as he may deem it desirable, regarding the adminis-
7 tration of his functions under this Act, together with such
8 recommendations for amendments to this Act as he may
9 deem appropriate as the result of the administration of such
10 functions, at which time he shall also cite the laws becom-
11 ing obsolete by reason of passage or operation of the pro-
12 visions of this Act.

13 TITLE III—PROCUREMENT PROCEDURE

14 DECLARATION OF PURPOSE

15 SEC. 301. The purpose of this title is to facilitate the
16 procurement of supplies and services.

17 APPLICATION AND PROCUREMENT METHODS

18 SEC. 302. (a) The provisions of this title shall be ap-
19 plicable to purchases and contracts for supplies or services
20 made—

21 (1) by the General Services Administration for the
22 use of such agency or otherwise; and

23 (2) by any other executive agency (except any
24 agency named in section 2 (a) of the Armed Services
25 Procurement Act of 1947), to the extent of and in con-

1 conformity with authority delegated by the Administrator
2 pursuant to the provisions of this subsection.

3 The Administrator may delegate to the head of any other
4 such agency authority to make purchases and contracts for
5 supplies or services pursuant to the provisions of this title
6 (A) for the use of two or more executive agencies or (B)
7 in other cases upon a determination by the Administrator
8 that by reason of circumstances set forth in such determina-
9 tion such delegation is advantageous to the Government in
10 terms of economy, efficiency, or national security. Notice
11 of every such delegation of authority so made shall be fur-
12 nished to the General Accounting Office.

13 (b) It is the declared policy of the Congress that a fair
14 proportion of the total purchases and contracts for supplies
15 and services for the Government shall be placed with small-
16 business concerns. Whenever it is proposed to make a
17 contract or purchase in excess of \$10,000 by negotiation
18 and without advertising, pursuant to the authority of para-
19 graph (7) or (8) of section 302 (c) of this title, suitable
20 advance publicity, as determined by the agency head with
21 due regard to the type of supplies involved and other rel-
22 evant considerations, shall be given for a period of at least
23 fifteen days, wherever practicable, as determined by the
24 agency head.

25 (c) All purchases and contracts for supplies and serv-

ices shall be made by advertising, as provided in section 303,
except that such purchases and contracts may be negotiated
by the agency head without advertising if—

(1) determined to be necessary in the public
interest during the period of a national emergency
declared by the President or by the Congress;

(2) the public exigency will not admit of the delay
incident to advertising;

(3) the aggregate amount involved does not exceed
\$1,000: *Provided*, That no agency other than the
General Services ~~Agency~~ *Administration* shall make any
purchase of, or contract for, supplies or services in excess
of \$500 under this paragraph except in the exercise of
authority conferred by the Administrator to procure and
furnish supplies and services for the use of two or more
executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any univer-
sity, college, or other educational institution;

(6) the supplies or services are to be procured and
used outside the limits of the United States and its
possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular

1 localities in order to assure standardization of equipment
2 and interchangeability of parts and that such standard-
3 ization and interchangeability is necessary in the public
4 interest;

5 (13) for supplies or services as to which the agency
6 head determines that bid prices after advertising there-
7 for are not reasonable (either as to all or as to some part
8 of the requirements) or have not been independently
9 arrived at in open competition: *Provided*, That no
10 negotiated purchase or contract may be entered into
11 under this paragraph after the rejection of all or some
12 of the bids received unless (A) notification of the inten-
13 tion to negotiate and reasonable opportunity to negotiate
14 shall have been given by the agency head to each re-
15 sponsible bidder and (B) the negotiated price is the
16 lowest negotiated price offered by any responsible
17 supplier; or

18 (14) otherwise authorized by law.

19 (d) If in the opinion of the agency head bids received
20 after advertising evidence any violation of the antitrust laws
21 he shall refer such bids to the Attorney General for appro-
22 priate action.

23 (e) This section shall not be construed to (A) authorize
24 the erection, repair, or furnishing of any public building or
25 public improvement, but such authorization shall be required

1 in the same manner as heretofore, or (B) permit any con-
2 tract for the construction or repair of buildings, roads, side-
3 walks, sewers, mains, or similar items to be negotiated with-
4 out advertising as required by section 303, unless such con-
5 tract is to be performed outside the continental United States
6 or unless negotiation of such contract is authorized by the
7 provisions of paragraph (1), (2), (3), (9), (10), (11),
8 or (13) of subsection (c) of this section.

9 ADVERTISING REQUIREMENTS

10 SEC. 303. Whenever advertising is required—

11 (a) The advertisement for bids shall be made a sufficient
12 time previous to the purchase or contract, and specifications
13 and invitations for bids shall permit such full and free com-
14 petition as is consistent with the procurement of types of
15 supplies and services necessary to meet the requirements of
16 the agency concerned.

17 (b) All bids shall be publicly opened at the time and
18 place stated in the advertisement. Award shall be made with
19 reasonable promptness by written notice to that responsible
20 bidder whose bid, conforming to the invitation for bids, will
21 be most advantageous to the Government, price and other
22 factors considered: *Provided*, That all bids may be rejected
23 when the agency head determines that it is in the public
24 interest so to do.

1 REQUIREMENTS OF NEGOTIATED CONTRACTS

2 SEC. 304. (a) Except as provided in subsection (b)
3 of this section, contracts negotiated pursuant to section 302
4 (c) may be of any type which in the opinion of the agency
5 head will promote the best interests of the Government.
6 Every contract negotiated pursuant to section 302 (c) shall
7 contain a suitable warranty, as determined by the agency
8 head, by the contractor that no person or selling agency
9 has been employed or retained to solicit or secure such
10 contract upon an agreement or understanding for a commis-
11 sion, percentage, brokerage, or contingent fee, excepting
12 bona fide employees or bona fide established commercial or
13 selling agencies maintained by the contractor for the pur-
14 pose of securing business, for the breach or violation of
15 which warranty the Government shall have the right to
16 annul such contract without liability or in its discretion to
17 deduct from the contract price or consideration the full
18 amount of such commission, percentage, brokerage, or
19 contingent fee.

20 (b) The cost-plus-a-percentage-of-cost system of con-
21 tracting shall not be used, and in the case of a cost-plus-a-
22 fixed-fee contract the fee shall not exceed 10 per centum
23 of the estimated cost of the contract, exclusive of the fee,
24 as determined by the agency head at the time of entering

1 into such contract (except that a fee not in excess of 15
2 per centum of such estimated cost is authorized in any
3 such contract for experimental, developmental, or research
4 work and that a fee inclusive of the contractor's costs and
5 not in excess of 6 per centum of the estimated cost, exclu-
6 sive of fees, as determined by the agency head at the time
7 of entering into the contract, of the project to which such
8 fee is applicable is authorized in contracts for architectural
9 or engineering services relating to any public works or
10 utility project). Neither a cost nor a cost-plus-a-fixed-fee
11 contract nor an incentive-type contract shall be used unless
12 the agency head determines that such method of contract-
13 ing is likely to be less costly than other methods or that
14 it is impractical to secure supplies or services of the kind
15 or quality required without the use of a cost or cost-plus-
16 a-fixed-fee contract or an incentive-type contract. All cost
17 and cost-plus-a-fixed-fee contracts shall provide for advance
18 notification by the contractor to the procuring agency of
19 any subcontract thereunder on a cost-plus-a-fixed-fee basis
20 and of any fixed-price subcontract or purchase order which
21 exceeds in dollar amount either \$25,000 or 5 per centum
22 of the total estimated cost of the prime contract; and a
23 procuring agency, through any authorized representative
24 thereof, shall have the right to inspect the plans and to audit

1 the books and records of any prime contractor or subcon-
2 tractor engaged in the performance of a cost or cost-plus-a-
3 fixed-fee contract.

4 ADVANCE PAYMENTS

5 SEC. 305. (a) The agency head may make advance
6 payments under negotiated contracts heretofore or hereafter
7 executed in any amount not exceeding the contract price
8 upon such terms as the parties shall agree: *Provided*, That
9 advance payments shall be made only upon adequate security
10 and if the agency head determines that provision for such
11 advance payments is in the public interest or in the interest
12 of the national defense and is necessary and appropriate in
13 order to procure required supplies or services under the
14 contract.

15 (b) The terms governing advance payments may in-
16 clude as security provision for, and upon inclusion of such
17 provision there shall thereby be created, a lien in favor of
18 the Government, upon the supplies contracted for, upon
19 the credit balance in any special account in which such
20 payments may be deposited and upon such of the material
21 and other property acquired for performance of the contract
22 as the parties shall agree.

23 WAIVER OF LIQUIDATED DAMAGES

24 SEC. 306. Whenever any contract made on behalf of
25 the Government by the agency head or by officers authorized

1 by him so to do includes a provision for liquidated damages
2 for delay, the Comptroller General on the recommendation
3 of the agency head is authorized and empowered to remit
4 the whole or any part of such damages as in his discretion
5 may be just and equitable.

6 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

7 SEC. 307. (a) The determinations and decisions pro-
8 vided in this title to be made by the Administrator or other
9 agency head may be made with respect to individual pur-
10 chases and contracts or with respect to classes of purchases
11 or contracts, and shall be final. Except as provided in sub-
12 section (b) of this section, the agency head is authorized
13 to delegate his powers provided by this title, including the
14 making of such determinations and decisions, in his discre-
15 tion and subject to his direction, to any other officer or
16 officers or officials of the agency.

17 (b) The power of the agency head to make the deter-
18 minations or decisions specified in paragraphs (11) and
19 (12) of section 302 (c) and in section 305 (a) shall not
20 be delegable, and the power to make the determinations
21 or decisions specified in paragraph (10) of section 302 (c)
22 shall be delegable only to a chief officer responsible for
23 procurement and only with respect to contracts which will
24 not require the expenditure of more than \$25,000. The
25 power of the Administrator to make the delegations and

1 determinations specified in section 302 (a) shall be delegable
2 only to the Deputy Administrator of the General Services
3 Administration or to the chief official of any principal con-
4 stituent agency of the General Services Administration.

5 (c) Each determination or decision required by para-
6 graphs (10), (11), (12), or (13) of section 302 (c), by
7 section 304 or by section 305 (a) shall be based upon
8 written findings made by the official making such deter-
9 mination, which findings shall be final and shall be available
10 within the agency for a period of at least six years following
11 the date of the determination. A copy of the findings shall
12 be submitted to the General Accounting Office with the
13 contract.

14 (d) In any case where any purchase or contract is
15 negotiated pursuant to the provisions of section 302 (c),
16 except in a case covered by paragraphs (2), (3), (4),
17 (5), or (6) thereof, the data with respect to the negotiation
18 shall be preserved in the files of the agency for a period of
19 six years following final payment on such contract.

20 STATUTES CONTINUED IN EFFECT

21 SEC. 308. No purchase or contract shall be exempt
22 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
23 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
24 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
25 solely by reason of having been entered into pursuant to sec-

tion 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term “agency head” shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal constituent agency of the General Services Administration.

(b) The term “supplies” shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description, aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5) ;

1 Revised Statutes, section 3735 (41 U. S. C. 13) ;

2 Sections 1 and 2 of the Act of October 10, 1940 (54
3 Stat. 1109, as amended; 41 U. S. C. 6 and 6a) .

4 TITLE IV—FOREIGN EXCESS PROPERTY

5 DISPOSAL OF FOREIGN EXCESS PROPERTY

6 SEC. 401. Each executive agency having foreign excess
7 property shall be responsible for the disposal thereof: *Pro-*
8 *vided*, That (a) the head of each such executive agency
9 shall, with respect to the disposition of such property, con-
10 form to the foreign policy of the United States; (b) the
11 Secretary of State shall have the authority to use foreign
12 currencies and credits acquired by the United States under
13 section 402 (b) of this Act in order to effectuate the pur-
14 poses of section 32 (b) (2) of the Surplus Property Act
15 of 1944, as amended, and the Foreign Service Buildings
16 Act of May 7, 1926, as amended (including Public Law
17 547, Seventy-ninth Congress (60 Stat. 663)), and for
18 the purpose of paying any other governmental expenses pay-
19 able in local currencies, and the authority to amend, modify,
20 and renew agreements in effect on the effective date of
21 this Act; (c) any foreign currencies or credits acquired
22 by the Department of State pursuant to such agreements
23 shall be administered in accordance with procedures that
24 may from time to time be established by the Secretary of
25 the Treasury and, if and when reduced to United States

1 currency, shall be covered into the Treasury as miscellaneous
2 receipts; and (d) the Department of State shall, except to
3 such extent as the President shall otherwise determine, con-
4 tinue to perform other functions with respect to agreements
5 for the disposal of foreign excess property in effect on the
6 effective date of this Act.

7 METHODS AND TERMS OF DISPOSAL

8 SEC. 402. Foreign excess property may be disposed of
9 (a) by sale, exchange, lease, or transfer, for cash, credit,
10 or other property, with or without warranty and upon such
11 other terms and conditions as the head of the executive
12 agency concerned deems proper; but in no event shall any
13 agricultural commodity, food, or cotton or woolen goods be
14 sold without a condition forbidding their importation into
15 the United States, unless the Secretary of Agriculture deter-
16 mines that such property is in short supply in this country,
17 or (b) for foreign currencies or credits, or substantial bene-
18 fits or the discharge of claims resulting from the compromise
19 or settlement of such claims by any executive agency in
20 accordance with the law, whenever the head of the execu-
21 tive agency concerned determines that it is in the interest
22 of the United States to do so. Such property may be dis-
23 posed of without advertising when the head of the executive
24 agency concerned finds so doing to be most practicable and
25 to be advantageous to the Government. The head of each

1 executive agency responsible for the disposal of foreign
2 excess property may execute such documents for the transfer
3 of title or other interest in property and take such other
4 action as he deems necessary or proper to dispose of such
5 property; and may authorize the abandonment, destruction,
6 or donation of foreign excess property under his control
7 which has no commercial value or the estimated cost of
8 care and handling of which would exceed the estimated
9 proceeds from its sale.

10 PROCEEDS, FOREIGN CURRENCIES

11 SEC. 403. Proceeds from the sale, lease, or other dis-
12 position of foreign excess property, (a) shall, if in the
13 form of foreign currencies or credits, be administered in ac-
14 cordance with procedures that may from time to time be
15 established by the Secretary of the Treasury, and (b) shall,
16 if in United States currency, or when any proceeds in foreign
17 currencies or credits shall be reduced to United States cur-
18 rency, be covered into the Treasury as miscellaneous re-
19 cepts: *Provided*, That the provisions of section 204 (b)
20 (which by their terms apply to property disposed of under
21 title II) shall be applicable to proceeds of foreign excess
22 property disposed of for United States currency under this
23 title ~~II~~ IV: *And provided further*, That any executive
24 agency disposing of foreign excess property under this title
25 (1) may deposit, in a special account with the Treasurer of

1 the United States, such amount of the proceeds of such dis-
2 positions as it deems necessary to permit appropriate refunds
3 to purchasers when any disposition is rescinded or does not
4 become final, or payments for breach of any warranty, and
5 (2) may withdraw therefrom amounts so to be refunded or
6 paid, without regard to the origin of the funds withdrawn.

7 MISCELLANEOUS PROVISIONS

8 SEC. 404. (a) The President may prescribe such poli-
9 cies, not inconsistent with the provisions of this title, as he
10 shall deem necessary to effectuate the provisions of this title,
11 which provisions shall guide each executive agency in carry-
12 ing out its functions hereunder.

13 (b) Any authority conferred upon any executive agency
14 or the head thereof by the provisions of this title may be
15 delegated, and successive redelegation thereof may be author-
16 ized, by such head to any official in such agency or to the
17 head of any other executive agency.

18 (c) The head of each executive agency responsible for
19 the disposal of foreign excess property hereunder may, as
20 may be necessary to carry out his functions under this
21 title, (1) subject to the civil-service and classification laws,
22 appoint and fix the compensation of personnel, and (2)
23 without regard to the civil-service and classification laws,
24 appoint and fix the compensation of personnel outside the
25 continental limits of the United States.

1 (d) Each executive agency responsible for the dis-
2 posal of foreign excess property under this title shall submit
3 a report to Congress in January of each year or at such
4 other times as he may deem desirable relative to its activities
5 under this title, together with any appropriate recom-
6 mendations.

7 (e) There shall be transferred from the Department of
8 State to each other executive agency affected by this title
9 such records, property, personnel, obligations, commitments,
10 and unexpended balances of appropriations, allocations, and
11 other funds, available or to be made available, as the Direc-
12 tor of the Bureau of the Budget shall determine to relate to
13 functions of such agency under this title which have here-
14 tofore been administered by the Department of State.

15 TITLE V—GENERAL PROVISIONS

16 APPLICABILITY OF EXISTING PROCEDURES

17 SEC. 501. All policies, procedures, and directives
18 prescribed—

19 (a) by either the Director, Bureau of Federal Sup-
20 ply, or the Secretary of the Treasury and relating to
21 any function transferred to or vested in the Adminis-
22 trator, by the provisions of this Act;

23 (b) by any officer of the Government under the
24 authority of the Surplus Property Act of 1944, as

amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under the authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act.

in effect upon the effective date of this Act and not inconsistent therewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except sections 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949.

(2) that portion of the Act entitled "An Act mak-

ing supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption "Surplus property disposal";

(3) the Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258) ;

(4) the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c) ;

(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311) ;

(6) *the first and second provisos contained in the fourth paragraph under the heading "Division of Supply" in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a) ;*

(7) the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and

1 the Secretary of the Air Force to donate excess and
2 surplus property for educational purposes", approved
3 July 2, 1948 (Public Law 889, Eightieth Congress) ;

4 (8) section 203 of the Act of June 26, 1943 (57
5 Stat. 195, as amended; 5 U. S. C. 118d-1) ;

6 (9) the Act of April 15, 1937 (50 Stat. 64; 5
7 U. S. C. 118d) ;

8 (10) the second proviso contained in the para-
9 graph of the Act of August 10, 1912 (37 Stat. 296;
10 5 U. S. C. 545), headed "Contingent expenses, Depart-
11 ment of Agriculture";

12 (11) the second proviso contained in the twentieth
13 paragraph of section 1 of the Act of March 2, 1917
14 (39 Stat. 973; 5 U. S. C. 494) ;

15 (12) the twenty-sixth paragraph under the head-
16 ing "National Parks" of the Act of January 24, 1923
17 (42 Stat. 1215; 16 U. S. C. 9) ;

18 (13) the fifth paragraph under the heading "Ex-
19 periments and demonstrations in livestock production
20 in the cane-sugar and cotton districts of the United
21 States" of the Act of June 30, 1914 (38 Stat. 441; 5
22 U. S. C. 546) ;

23 (14) the proviso contained in the second paragraph

1 under the heading "Library, Department of Agricul-
2 ture" of the Act of March 4, 1915 (38 Stat. 1107;
3 5 U. S. C. 548) ;

4 (15) the second proviso contained in the second
5 paragraph under the heading "Clothing and camp and
6 garrison equipage" of section 1 of the Act of August
7 29, 1916 (39 Stat. 635; 10 U. S. C. 1271) ;

8 (16) the Act of May 11, 1939 (53 Stat. 739;
9 10 U. S. C. 1271a) ;

10 (17) the fifth paragraph under the heading "Office
11 of the Chief Signal Officer" of the Act of May 12, 1917
12 (40 Stat. 43, as amended; 10 U. S. C. 1272) ;

13 (18) the third proviso contained in the second
14 paragraph under the heading "Office of the Chief Signal
15 Officer" of the Act of March 4, 1915 (38 Stat. 1064;
16 10 U. S. C. 1273) ;

17 (19) the fourteenth paragraph under the heading
18 "Smithsonian Institution" of section 1 of the Act of
19 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66) ;

20 (20) the second paragraph under the heading
21 "Government hospital for the insane" of section 1 of
22 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
23 173) ;

24 (21) the second paragraph under the heading

“Saint Elizabeths Hospital” of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174) ;

(22) the proviso contained in the second paragraph under the heading “Bureau of Supplies and Accounts” of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a) ;

(23) the second proviso of the first paragraph under the heading “Bureau of Yards and Docks” of the Act of August 29, 1916 (34 U. S. C. 532) ;

(24) the proviso contained in the second paragraph under the heading “Maintenance, Quartermaster’s Department, Marine Corps” of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723) ;

(25) the twentieth paragraph under the heading “Bureau of Mines” of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118) ;

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

(27) the third paragraph under the heading “Interstate Commerce Commission” of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ; and

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b) ; and

~~(29)~~ the word “proportionate” and the words

1 “including, breaking, shrinkage, transportation, cost of
2 handling, by the Treasury Department, and inspection”,
3 appearing in section 2, of the Act of February 27, 1929
4 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)).

5 (b) The provisions of the first, third, and fifth para-
6 graphs of section 1 of Executive Order Numbered 6166 of
7 June 10, 1933, are hereby superseded, insofar as they relate
8 to any function now administered by the Bureau of Federal
9 Supply except functions with respect to standard contract
10 forms.

11 (c) The authority conferred by this Act is in addition
12 to any authority conferred by any other law and shall not
13 be subject to the provisions of any law inconsistent herewith,
14 except that sections 205 (b) and 206 (c) of this Act shall
15 not be applicable to any Government corporation or agency
16 which is subject to the Government Corporation Control Act
17 (59 Stat. 597; 31 U. S. C. 841).

18 (d) Nothing in this Act shall impair or affect any
19 authority of—

20 (1) the President under the Philippine Property
21 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

22 (2) any executive agency with respect to any phase
23 (including, but not limited to, procurement, storage,
24 transportation, processing, and disposal) of any pro-

1 gram conducted for purposes of resale, price support,
2 grants to farmers, stabilization, transfer to foreign gov-
3 ernments, or foreign aid, relief, or rehabilitation: *Pro-*
4 *vided*, That the agency carrying out such program shall,
5 to the maximum extent practicable, consistent with the
6 fulfillment of the purposes of the program and the effec-
7 tive and efficient conduct of its business, coordinate its
8 operations with the requirements of this Act and the
9 policies and regulations prescribed pursuant thereto;

10 (3) any executive agency named in the Armed
11 Services Procurement Act of 1947, and the head thereof,
12 with respect to the administration of said Act;

13 (4) the National Military Establishment with re-
14 spect to property required for or located in occupied
15 territories;

16 (5) the Secretary of Defense with respect to the
17 administration of the National Industrial Reserve Act
18 of 1948;

19 (6) the Secretary of Defense, the Munitions Board,
20 and the Secretaries of the Army, Navy, and Air Force
21 with respect to the administration of the Strategic and
22 Critical Materials Stock Piling Act (60 Stat. 596),
23 and provided that any imported materials which the
24 authorized procuring agency shall certify to the Com-

1 missioner of Customs to be strategic and critical ma-
2 terials procured under said Act may be entered, or
3 withdrawn from warehouse, free of duty;

4 (7) the Secretary of State under the Foreign Serv-
5 ice Buildings Act of May 7, 1926, as amended:

6 (8) the Secretary of the Army, the Secretary of
7 the Navy, and the Secretary of the Air Force with
8 respect to the administration of section 1 (b) of the
9 Act entitled "An Act to expedite the strengthening of
10 the national defense", approved July 2, 1940 (54
11 Stat. 712) ;

12 (9) the Secretary of Agriculture or the Depart-
13 ment of Agriculture under (A) the National School
14 Lunch Act (60 Stat. 230) ; (B) the Farmers Home
15 Administration Act of 1946 (60 Stat. 1062) ; (C) the
16 Act of August 31, 1947, Public Law 298, Eightieth
17 Congress, with respect to the disposal of labor supply
18 centers, and labor homes, labor camps, or facilities; (D)
19 section 32 of the Act of August 24, 1935 (49 Stat.
20 774) , as amended, with respect to the exportation and
21 domestic consumption of agricultural products; or (E)
22 section 201 of the Agricultural Adjustment Act of
23 1938 (52 Stat. 36) or section 203 (j) of the Agri-
24 cultural Marketing Act of 1946 (60 Stat. 1082) ;

25 (10) the Secretary of Agriculture, Farm Credit

Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) ~~(iv)~~ (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the dis-

posals of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450) ;

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes

of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

(17) *Central Intelligence Agency*;

~~(17)~~ (18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*,

That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

~~(18)~~ (19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

1 (b) When authorized by the Director of the Bureau
2 of the Budget, any Federal agency may use, for the dis-
3 position of property under this Act, and for its care and
4 handling pending such disposition, any funds heretofore or
5 hereafter appropriated, allocated, or available to it for pur-
6 poses similar to those provided for in sections 201, 202,
7 203, and 205 of this Act.

8 SEPARABILITY

9 SEC. 504. If any provision of this Act, or the applica-
10 tion thereof to any person or circumstances, is held invalid,
11 the remainder of this Act, and the application of such pro-
12 vision to other persons or circumstances, shall not be affected
13 thereby.

14 EFFECTIVE DATE

15 SEC. 505. This Act shall become effective on July 1,
16 1949, except that (1) the provisions of section ~~402~~ 502 (a)
17 (2) shall become effective on June 30, 1949; (2) the
18 provisions of section ~~502 (a)~~ ~~(29)~~ 201 (e) shall become
19 effective on July 1, 1950.

81st CONGRESS
1st Session

H. R. 4754

[Report No. 670]

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

By Mr. HOLIFIELD

MAY 18, 1949

Referred to the Committee on Expenditures in the Executive Departments

MAY 24, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

MAY 25, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOFFMAN of Michigan, from the Committee on Expenditures in the Executive Departments, submitted the following

MINORITY REPORT

[To accompany H. R. 4754]

The Federal Property Act of 1949, H. R. 2781, introduced by Mr. Dawson, chairman of the House Committee on Expenditures in the Executive Departments, was substantially the same as a similar bill which received favorable consideration by the Senate Expenditures Committee of the Eightieth Congress.

A subcommittee of the House Committee on Expenditures in the Executive Departments of the Eighty-first Congress, composed of four Democrats and two Republicans, held hearings on this bill and reported it favorably to the full committee which, after adding certain amendments, reported it out favorably on the 13th day of May.

Introduced on May 18, 1949, H. R. 4754, which is now before the House for consideration, as a bill to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and is cited as "Federal Property and Administrative Services Act of 1949", is a clean bill, purporting to carry the amendments agreed to by the full committee.

Prior to the introduction of H. R. 2781, the chairman of the committee had introduced H. R. 2641, which was a bill embodying the recommendations of the Hoover Commission on the subject of Federal supply and related activities. No hearings were held on either this bill or several other somewhat similar bills.

The original bill, H. R. 2781, transferred the Bureau of Federal Supply, the functions of the Director of Contract Settlement, and the affairs of the War Assets Administrator to the Federal Works Agency and endowed the Federal Works Administrator with certain duties and authority over the procurement, warehousing, utilization, surveying, and disposal of Government property.

H. R. 2781, as presented to the full committee, created a new agency to be known as the General Services Administration and transferred to it all the functions of Federal Works Agency and all the other duties and functions which the original bill would have placed in the Federal Works Agency.

It was said this change in name was made in order to bring the bill into line with the recommendations of the Hoover Commission on the subject of general services and supply activities.

Obviously the recommendations of the Hoover Commission contemplate a great deal more than a mere change in the name of an existing agency and clothing it with additional duties and authority.

That the subcommittee apparently held hearings and considered only H. R. 2781, which was written prior to the release of the Hoover Commission reports, is evidenced by the fact that in a number of respects to which reference is hereinafter made, H. R. 4754, does not follow the Hoover Commission recommendations.

Because of this situation, it is urged that the membership of the House give more than the usual consideration to this bill.

SIZE AND LOCATION OF NEW AGENCY

If H. R. 4754 in its present form is enacted into law the new agency which it creates—the General Services Administration—will be one of the largest independent agencies of our Government. The number of its employees was given as 60,000.

In its Report on General Management of the Executive Branch, Office of General Services (p. 28), the Hoover Commission said:

In the direction and supervision of the operations of the executive branch, the President needs an organization which will include some of the agencies that serve all the departments.

In its Report on the Office of General Services and Supply Activities (p. 1), the Commission stated further that these major internal activities of the Federal Government, namely, supply, records management, and the operation and maintenance of public buildings, now suffer from the lack of central direction.

Recommendations Nos. 1 and 3 of this unanimous report of the Hoover Commission on the Office of General Services and Supply Activities are as follows:

No. 1. The Commission recommends that responsibility for these three internal service operations should be placed in an Office of General Services under a director appointed by the President.

No. 3. The Commission recommends that the following functions, each under a director, shall be placed in the Office of General Services:

- (a) Supply.
- (b) Records management.
- (c) Operation and maintenance of public buildings.
- (d) Certain relations with the Smithsonian Institution, the National Parks and Planning Commission, the National Capital Housing Authority, the Commission of Fine Arts, and the District of Columbia.

It is clear from these recommendations and a reading of the report from which they were taken that the Commission intended that the proposed Office of General Services be comparatively small and that its functions be limited to those named, if it were to be effective.

Although the Commission's report on the Office of General Services emphasizes the close relationship between this Office and the Presi-

dent in the matter of authority and responsibility, the Commission did not state where, in the executive branch structure, this Office should be located.

The Hoover Commission task force on the Federal supply system said in its report (appendix B, p. 25):

To discharge these responsibilities effectively, the Central Supply Organization should be part of the Executive Office of the President. Such location is deemed necessary to give the organization the prestige and authority required to command respect for and compliance with its policies, rules, and regulations among the other agencies of the Government.

This bill places the new agency under the direction of the President, but it does not put it in the Executive Office, as the Commission recommended, nor apparently would it be on a level with the Bureau of the Budget.

The only two members of the Hoover Commission, Commissioners Brown and Manasco, who appeared before the committee, testified that they were in favor of the Office of General Services being in the Executive Office of the President.

At least one other witness, a representative of the Department of Agriculture, testified (pp. 64 to 69, inclusive, of the hearings) in favor of the Office of General Services being in the Executive Office of the President and on a par with the Bureau of the Budget.

Part of the testimony of Commissioner Manasco on this point is as follows:

For that reason I think that it is most important that this agency be set up in the Office of the President.

Now, the argument will probably be made that all of the executive agencies are directly under the President. That is true. He is charged with a responsibility. But you have so many responsibilities placed upon the Administrator in this bill: For instance, the surveying of departments to find out if they have any property excess to their own needs. Now if the responsible administrator goes into an executive department and starts making surveys the one involved might pick up the telephone and call the White House and say, "Get this fellow out of our hair," and they will kick him out; in all probability he would be kicked out. But if that responsibility were coming from an agency on the level with the Bureau of the Budget, although that agency or bureau would like to see him kicked out, there would be very few people who would be courageous enough to go to the President and ask him to get him out; I know that while they hate it, nevertheless, they fear the Bureau of the Budget; that is, the executive agencies.

And in order to make the organization effective it is going to have to have the same level of authority that the Bureau of the Budget has.

It is understood that Jess Larson, the present Federal Works Administrator, who under the terms of H. R. 2781, would have been the new Administrator of General Services, expressed the opinion that it would be desirable for this Office to be in the Executive Office of the President, but that if the Office is to be as large as this bill would make it, placing it there might not be practical.

This bill places in the Office of General Services a number of functions and activities which the Hoover Commission recommended be placed under other Government departments or agencies.

It is thought that confining the functions of this Office to those recommended by the Hoover Commission and locating the Office of General Services in the Executive Office of the President, offers the best opportunity for an efficient conduct of these housekeeping services, and a realization of the purposes of the Hoover Commission.

Throughout the hearings on H. R. 2781, it was generally admitted that the accomplishments of the Bureau of Federal Supply under the Treasury Department were inadequate.

Under this bill, the supply functions of our Government will be submerged in the new agency among numerous other unrelated functions and therefore no great improvement or savings can be guaranteed.

H. R. 4754 IS CONTRARY TO CERTAIN SPECIFIC RECOMMENDATIONS OF THE HOOVER COMMISSION

Section 103 (a), in addition to transferring the Public Buildings Administration from the Federal Works Agency, also transfers to the General Services Administration the functions of Public Buildings Construction, Community Services, the Public Roads Administration, and all other functions of the Federal Works Agency.

Recommendation No. 4 of the Hoover Commission in its report on the Department of the Interior (pp. 8, 9, and 10) is as follows:

We recommend that the following agencies related to the major purposes of the Department be transferred to it:

- | | | | | | | |
|-----|------------------------------|--------------------------------|---|---|---|---|
| * | * | * | * | * | * | * |
| (b) | Public Building Construction | from the Federal Works Agency. | | | | |
| (c) | Community Services | from the Federal Works Agency. | | | | |

Recommendation No. 7 of the Hoover Commission in its report on the Department of Commerce (p. 21) is as follows:

The Public Roads Administration should be transferred from the Federal Works Agency to the Department (meaning Commerce Department).

The majority report of the committee fails to disclose any reason for ignoring in the provisions of this bill the Hoover Commission recommendation that Public Buildings Construction and Community Facilities be transferred to the Department of the Interior.

The majority report does excuse the transfer of the Bureau of Public Roads to the new agency rather than to the Department of Commerce as recommended by the Hoover Commission with the statement that the committee has withheld action on such transfer until some determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce, and on the proposed consolidation of transportation agencies.

As excuses go, this one is in the "A hope and a prayer" category. The people demand prompt action and now is the time to avail ourselves of the advice of that body, and insofar as we can, follow its recommendations. We are either for the recommendations of the Hoover Commission or we are against them.

Section 205 (b) of H. R. 4754, among other things, provides that the Comptroller General shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards.

This provision which grants additional administrative or executive authority to the Comptroller General is directly contrary to recom-

mentation No. 10 of the Hoover Commission in its Report on Budgeting and Accounting (p. 39). That recommendation is as follows:

Therefore, the Commission recommends that—

(a) An Accountant General be established under the Secretary of the Treasury with authority to prescribe general accounting methods and enforce accounting procedures. These methods and procedures should be subject to the approval of the Comptroller General within the powers now conferred upon him by the Congress.

The Commission's report states further (pp. 39 and 41) that—

Our recommendation would create a single officer in the Treasury Department with authority to prescribe a single system of fiscal accounts and to represent the executive branch in working out an administrative accounting system with the Comptroller General. The Accounting General would further supervise all departmental accounting activities throughout the executive branch and assist departments in performing their accounting duties.

We believe there is no inherent conflict between the present position of the Comptroller General and our recommendation to create the position of Accountant General.

In the task force Report on the Federal Supply System (appendix B) (p. 9), we find this statement:

It is hoped that the project on fiscal, budgeting, and accounting will recommend a clear-cut distinction between legislative and executive functions which would confine the Comptroller General's role to post audit and to reports to Congress of his findings, with recommendations for further investigation or legislative remedies.

This particular provision extending the authority of the Comptroller General was not discussed in the hearings on H. R. 2781 in relation to the above-cited recommendation of the Hoover Commission. Its inclusion in this bill can only be interpreted as an attempt to anticipate the Hoover Commission's recommendations on the subject of budgeting and accounting.

OTHER INSTANCES IN WHICH THE HOOVER COMMISSION'S RECOMMENDATIONS ARE APPARENTLY IGNORED

Section 102 (b) of H. R. 4754 transfers the Office of Contract Settlement to the General Services Administration.

As pointed out, the Hoover Commission in its Report on the Office of General Services and Supply Activities recommended that only certain functions be placed in the Office of General Services. This transfer was not recommended by the Hoover Commission.

The same is true of certain other functions which this bill transfers from the Federal Works Agency to the General Services Administration, that is, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the national industrial reserve, disaster relief, and the administration of certain functions of the water-pollution-control program.

RECOMMENDATIONS

Inasmuch as the Congress authorized the Hoover Commission to make the studies and report its conclusions, and as the people, generally, without too adequate a knowledge of what is in those reports, are demanding that the Congress make the recommendations contained therein effective, we should, if possible, perfect this bill on the floor.

The Hoover Commission spent almost \$2,000,000—spent it wisely—its reports are invaluable, but the job it undertook is but half completed.

The Hoover Commission told us of the changes that were needed, but it did not draft proposed legislation which would bring about the needed economy and efficiency.

The Hoover Commission, with the aid of experts, spent some 18 months in an effort to tell us what to do, where we should go, but it did not, because it was not a part of its job, tell us how to get there.

In the judgment of the writer of this report, the chairman of the subcommittee, Mr. Holifield, who has worked so earnestly and conscientiously on the proposed legislation, should be given by the House ample funds to employ some of the experts who served with the Hoover Commission to assist in drafting the bills which are necessary to translate those recommendations into legislation.

Respectfully submitted.

CLARE E. HOFFMAN.

○

CONSIDERATION OF H. R. 4754

MAY 27, 1949.—Referred to the House Calendar and ordered to be printed.

Mr. SABATH, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 230]

The Committee on Rules, having had under consideration House Resolution 230, report the same to the House with the recommendation that the resolution do pass.

C

House Calendar No. 72

81ST CONGRESS
1ST SESSION

H. RES. 230

[Report No. 693]

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1949

Mr. SABATH, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House resolve
3 itself into the Committee of the Whole House on the State
4 of the Union for the consideration of the bill (H. R. 4754)
5 to simplify the procurement, utilization, and disposal of
6 Government property, to reorganize certain agencies of the
7 Government, and for other purposes. That after general
8 debate, which shall be confined to the bill and continue not
9 to exceed two hours, to be equally divided and controlled
10 by the chairman and the ranking minority member of the
11 Committee on Expenditures in the Executive Departments,
12 the bill shall be read for amendment under the five-minute

1 rule. At the conclusion of the consideration of the bill for
2 amendment, the Committee shall rise and report the bill to
3 the House with such amendments as may have been adopted
4 and the previous question shall be considered as ordered
5 on the bill and amendments thereto to final passage without
6 intervening motion except one motion to recommit.

House Calendar No. 72

81ST CONGRESS
1ST SESSION

H. RES. 230

[Report No. 693]

RESOLUTION

Providing for the consideration of the bill
(H. R. 4754) to simplify the procurement,
utilization, and disposal of Government
property, to reorganize certain agencies of
the Government, and for other purposes.

By Mr. SABATH

MAY 27, 1949

Referred to the House Calendar and ordered to be
printed

less, I am sure we are all now, or had better be, concerned about the financial stability of this Government.

Commenting on this matter of the financial stability of the Government, on yesterday, in connection with the authorization of expenditure of additional millions of dollars in Europe, I pointed out then, and repeat now, that there is a limit beyond which we cannot go and still maintain the faith and credit of the Government. Personally, believing, as I do, that we are not in any imminent danger of a war, which position I have taken ever since Russia began to act up, the thought of emphasis upon the scientific development of our machines of national defense should be considered, with a limited but necessary, number of the latest products of scientific research being always kept available, with plans for mass production, should mass production become necessary.

That was the gist of the colloquy that I had with the distinguished gentleman from Georgia [Mr. VINSON], the chairman of the committee, on that occasion several months ago. We might be able to do it; I do not know, but those are among the questions that will have to be studied by this investigation authorized by this resolution.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MILLER of Nebraska. I am in accord with the purposes of the resolution; I think it is a wise move on the part of the Committee on the Armed Services. I am sure that in my country there is quite a feeling among the citizens that there is rather keen competition between the military which has not reacted to the benefit of the taxpayers in the spending of their dollars. I notice these words in line 8:

And any and all collateral matters that such inquiries may develop.

I am wondering if these words are broad enough to permit the committee to give some study of the 70-group air force which Congress authorized but with the carrying out of which the administration apparently is not in sympathy.

Mr. COLMER. Answering the gentleman's question, I may say that it was the Rules Committee's opinion, and it was the opinion given by the distinguished chairman of the Committee on the Armed Services, that the resolution was amply broad to go into the whole field.

I want to comment here briefly upon another phase of this matter. I do not like to go into questions of rumor or to attack those who circulate charges against people in high office. I recognize that in a democracy such as we have that it is inevitable that we should have rumors. We are going to have charges, and so forth, but I do think, and I am sure that every fair-minded person will agree with me in that, that before these charges are made against those in high places in the conduct of the affairs of this country the charges should be investigated; they should be investigated before they are made. While every charge that has been made against those charged

with our national defense in connection with this controversy may be true, so far as I, personally, know, every one of those charges is without foundation. That is one of the questions this committee is going to look into and decide. But may I remind my colleagues, and may I remind those who read as they run through this CONGRESSIONAL RECORD that many of these men who come here, to occupy high places in this Government, often do so at great sacrifice to themselves. They are all human; they are all subject to mistakes, to the commission of human errors, but they should not be charged on the floor of this House or in the columns of the press, or on the radio with flagrant violation of their trust without some examination being made of those charges before they are made. I am approaching this objectively. I hope that this great Committee on Armed Services of the House will approach this investigation objectively also. Let the truth come out, let the chips fall where they may, in order that the great body of people known as the American public may have their day in this controversy.

While the name-calling phase of this matter, and the rivalry between the various branches of the armed services might be important to the persons involved, the real importance lies in the fact that the country is entitled to know whether or not there has been any misconduct on the part of its trusted officials; and, if it is humanly possible, a solution to this important matter should be reached. To this end, of course, personalities should not exist. No person should be spared and no pride in a particular branch of the service should be permitted to interfere with the national defense and security of this country.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, it should be crystal clear to all of us that this resolution should pass. With so much comment over the radio and in the press, the American people are entitled to be fully informed.

The matter of defense is of great importance to the American people. They are entitled that the billions of dollars which we are appropriating be spent to the best of advantage. Congress must so insist.

The names of many prominent people have been named over the radio and in the press. I personally know but one, Secretary of the Air W. Stuart Symington. Knowing him as I do, I know well that he welcomes this investigation. During my 18 years in Congress, I have never met a more honest, courageous, and efficient public servant. I am certain that all of you who know him fully agree.

With such men as CARL VINSON and DEWEY SHORT on the Armed Services Committee, we all know that this investigation will be conducted in a fair and impartial manner. I recommend the passage of this resolution.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1950

Mr. NORRELL, from the Committee on Appropriations, reported the bill (H. R. 5060) making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. STEFAN reserved all points of order.

ANNUAL ASSESSMENT ON MINING CLAIMS

Mr. ENGLE of California submitted the following conference report and statement on the bill (H. R. 1754) extending the time for the completion of annual assessment work on mining claims held by location in the United States for the year ending at 12 o'clock meridian July 1, 1949, for printing under the rule:

CONFERENCE REPORT (H. REPT. NO. 764)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1754) extending the time for the completion of annual assessment work on mining claims held by location in the United States for the year ending at 12 o'clock meridian July 1, 1949, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate to the text of the bill, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than \$100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States until the hour of 12 o'clock meridian of the 1st day of July 1949: *Provided*, That every claimant of any such mining claim in order to obtain the benefits of this Act shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian of August 1, 1949, a notice of his desire to hold said mining claim under this Act: *Provided further*, That any labor performed or improvements made on any such mining claim during the year ending July 1, 1949, may be credited against the labor or improvements required to be performed or made for the year ending at 12 o'clock meridian on the 1st day of July 1950.

"Sec. 2. Notwithstanding the provisions of any Act of Congress to the contrary, any person who hereafter prospects for, mines, or removes, by strip or open pit mining methods, any minerals from any land included in a stock raising or other homestead entry or patent, and who had been liable under such an existing Act only for damages caused thereby to the crops or improvements of the entryman or patentee, shall also be liable for any damage that may be caused to the

value of the land for grazing by such prospecting for, mining, or removal of minerals. Nothing in this section shall be construed to impair any vested right in existence on the effective date of this section."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

CLAIR ENGLE,
KEN REGAN,
WM. LEMKE,

Managers on the Part of the House.

JOSEPH C. O'MAHONEY,
JAMES E. MURRAY,
E. D. MILLIKIN,
GUY CORDON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1754) extending the time for the completion of annual assessment work on mining claims held by location in the United States for the year ending 12 o'clock meridian July 1, 1949, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

(a) The change of date from "1950" to "1949" provides a 1-year instead of a 2-year suspension of annual assessment work.

(b) The change of date from July to August extends by 1 month the time for a claimant of a mining claim held by location to file "a notice of his desire to hold said mining claim under this Act."

(c) The proviso added to section 1 credits any assessment work performed on a mining claim during the year ending July 1, 1949, against annual assessment work required on such claim for the year ending July 1, 1950.

(d) Enlargement of the liability for damage caused to the value of land for grazing on a stock raising or other homestead entry or patent was confined to the prospecting for, mining, or removal of any minerals on such lands "by strip or open pit mining methods."

CLAIR ENGLE,
KEN REGAN,
WM. LEMKE,

Managers on the Part of the House.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 46. Concurrent resolution authorizing certain changes to be made in the enrollment of S. 714, the Public Buildings Act of 1949.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 191. An act for the relief of Louis J. Waline.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1754) entitled "An act extending the time for the completion of annual assessment work on mining claims held by location in the United States for the year ending at 12 o'clock meridian July 1, 1949."

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 230 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Expenditures in the Executive Departments, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I hope not to consume more than 10 minutes. If I do, I would appreciate it if my attention would be called when 10 minutes are up. After that I shall yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, the rule before us, which provides for 2 hours general debate, after which the bill will be taken up under the 5-minute rule, being an open rule, makes in order the most constructive, far-reaching and beneficial piece of legislation ever enacted in many years. The bill comes from the Committee on Expenditures in the Executive Departments, chairmanned by the able gentleman from Illinois [Mr. DAWSON]. Some of you may recollect that in March 1948, the President of the United States sent to both Houses a message in which he pleaded, urged, and recommended this legislation. But even as far back as 1933 President Roosevelt recommended this legislation, and again urged the Congress in 1939 to take action, and President Truman in 1945 also recommended that legislation be passed. Unfortunately during the last Congress it was not enacted into law. In this Congress, when the matter was recommended and reported and submitted to the splendid and capable committee, it started hearings, and to my mind it devoted a great deal of its time to considering this important piece of legislation. In years gone by I have called attention to the fact that there should be unification of the purchasing of all the governmental needs and properties, as well as the disposition of properties, but unfortunately such legislation, notwithstanding that it has also been recommended before, has not received the consideration that it deserves.

So, today we have before us a bill that will unify many of these various branches of our Government. It will simplify purchasing, selling procedures and rec-

ord methods and will tend for economy. It might be stated by some gentlemen on the other side that it does not comply exactly with all of the recommendations of the so-called Hoover Commission that the President appointed, but I am of the opinion that it really complies with most of the provisions, and I have confidence in that great committee that reported this bill that they have embodied in the bill all the worthy and deserving provisions in the interest of economy and the simplification of the activities of the various agencies.

REPUBLICAN COMPLAINTS

Mr. Speaker, the gentleman from Ohio [Mr. BROWN], while stating the bill "is not on all fours," approves of it, but still complains that it is not strictly in conformity with the recommendations of the Hoover Commission. In this connection, I also concede that the Hoover Commission had the cooperation of many outstanding Americans. It was not a cheap commission. The Commission, in fact, under Mr. Hoover's direction, has spent \$2,000,000, but the Congress has not given the Commission the power to legislate. Congress does not intend to abrogate its rights and powers and reserves to itself the right to legislate. Not only the gentleman from Ohio [Mr. BROWN], but the former Republican leader, the gentleman from Indiana [Mr. HALLECK], in his adroit and clever remarks would have the people believe that the recommendations of the Hoover Commission should be followed, and stresses the fact that thus far Congress has not yet enacted the reorganization bill to give the President authority to recommend reorganizations, which bill is now in conference. He believes, if I remember his statement correctly, that the House conferees have not yielded to the wishes of the conferees of the other body—that it would be better if they did yield and obtain some legislation rather than none. However, I question the belief of the gentleman from Indiana that the House conferees are responsible for the delay and when the proceedings of the secret conferences of the conferees are revealed, I am sure it will be found that the Republicans are responsible for the delay. I agree with the gentleman that it would be better to have a half a loaf than none, but this has been answered by the gentleman from Massachusetts, the majority leader, who is a member of the conference committee. However, I do not believe it will be in the interest of the country to tie the hands of the President who is striving to obtain legislative authority to bring about a real reorganization of all governmental agencies in the interest of economy and efficiency. As I understand, one of the items in disagreement by the conferees concerns the Board of Engineers of the War Department. This agency or unit of the War Department, as I have pointed out in the past, through those in supervision, has been one of the most reckless spending agencies of public funds—taxpayers' moneys—of any in the Government. If there is any unit in our Government agencies that should be properly, efficiently, and economically

organized and restricted in its expenditures, that is the one.

CONGRESS NOT BOUND TO ADOPT HOOVER
COMMISSION RECOMMENDATIONS

Mr. Speaker, it strikes me that undue stress is being placed on the fact that this bill does not conform, in various aspects, to the recommendations of the Hoover Commission.

For a number of reasons I believe this emphasis is being exaggerated for political reasons beyond its real value, at least in relation to this bill now before us.

In the first place, although the Congress authorized the creation of the Commission on Reorganization of the Executive Branch, and supplied it with the funds to perform its functions, we are not necessarily bound to adopt all of its suggestions in toto and unquestioningly.

As we have frequently done in the past in other matters, the Congress authorized this Commission and delegated to it the task of doing the spade work and making the detailed studies involved, and presenting recommendations based on that work and study. It does not follow necessarily that the Congress thereby committed itself in advance to follow those recommendations without crossing a "t" or dotting an "i." It does not follow that the Congress thereby waived its right to exercise its own independent judgment.

Bear in mind the Hoover Commission was authorized to recommend its findings, not to become a substitute for the Congress and do our legislating for us.

Another point: The mere fact that Mr. Hoover is chairman of the Commission, and no doubt was influential, if not dominant, in its work, does not make every one of the Commission's reports sacrosanct or binding upon us.

While I recognize the fact that Mr. Hoover is our only living ex-President, and that in his own way he contributed out of his experience to these reports.

Since he departed from office the Republican Party has not been able to elect another President. I hope that this condition may continue—but the point is, we must weigh the judgment of Mr. Hoover and the Hoover Commission in proper balance. Certainly it is not infallible in the light of his record.

MR. HOOVER'S RECORD

I want you to know that it is rather embarrassing for me to speak or to remind you of some perhaps, unpleasant matters relative to a former Republican President. However, I know that many on your side of the aisle have actually attacked President Woodrow Wilson, President Franklin D. Roosevelt, and on every occasion that presents, to attack President Truman that you do so. Therefore, I feel justified on my part in calling attention to ex-President Hoover, whom the Republicans are attempting to sell to the Nation as a wonder man. The Republicans have endeavored for many years to build up a Hoover legend surrounding him with humanitarian projects. I fully realize that the Republican Party is naturally building up his reputation because he

has been and is recognized as the leader. For at every National Republican Convention he is allotted a special place on the Convention program and there in a biased and prejudiced manner for political purposes has seized upon the opportunity to assail the principles and labors of the Democratic Party, heap abuse with carping criticism upon such great men as Franklin Delano Roosevelt whose memory shall grow in luster and in dignity with each succeeding year, in spite of the assaults upon it by Mr. Hoover.

Does Mr. Hoover's record before he became President justify that confidence, or is he deserving of that confidence?

I direct your attention to the record with which some of us who have been here during the Hoover regime are familiar. I remember well the year 1929, when we voted \$500,000,000 to aid the farmers. Under his direction and administration, these funds did not aid or relieve the farmers one iota. This appropriation was used recklessly and expended in a disgraceful manner. I also remember when the needy veterans came to Washington pleading for work and asking for bread, and upon his orders they were fed with lead. I recall two of these men vividly who received this treatment, for they came from my district, and were shot down for appealing for assistance to the Hoover administration in time of need.

I remember thoroughly the time when our crop production was at an all-time high and when peace reigned supreme throughout the world. Yet there was a \$2,000,000,000 deficiency during the last 2 years of the Hoover administration, with little, if any, spending on our national defense, which during his 4-year term he shamefully neglected.

I also remember, notwithstanding my plea to him in 1929 to close the gambling institution commonly known as the stock exchange for a few months to permit the people to adjust themselves and better combat the conditions underlying the depression, he not only failed to do so, but he even refused to stop short-selling and manipulators' activities which had been largely instrumental in bringing about the great depression and crash. It resulted in making stocks and bonds valueless and produced untold suffering and anguish throughout the land. Nevertheless, in spite of the existence of these deplorable conditions, he and his Secretary Mellon and Assistant Secretary Mills refused to approve in 1931 my bill aimed to aid business—a bill to create the RFC. Instead of urging the passage of the legislation at that time, he insisted on waiting until the following year—election year of 1932. Surely none will claim that his judgment then was infallible—no one will argue that he was a master mind and deserved any praise or is endowed with knowledge superior to all.

Again, I remember that \$50,000,000 was appropriated to care for cattle dying from lack of feed in some States because of the drought in the areas. Within a few days after the passage of the bill Mr. Hoover suddenly found that conditions had improved and the money appropriated was no longer needed because

a rain had fallen and made possible the elimination of the drought, all of which has a wholesome effect on the situation relative to the cattle. But when an effort was made shortly thereafter to provide for hundreds of thousands of needy veterans who were unemployed, unsheltered, and starving, this unexpended \$50,000,000 was refused.

So in view of that record, I fail to see why his judgment and viewpoints today should be entitled to such confidence as some of you gentlemen feel prone to urge and demand it should receive.

I know it must be painful for my Republican friends to be reminded of these things: the depression of 1929, the unemployment of the thirties, the tragic attack upon the bonus army here in Washington, and the apple sellers on the street corners.

Hence, I feel that particularly in matters such as this bill, involving as it does economy and simplification of governmental activities, we need not be so concerned about differing with the views of Mr. Hoover.

Mr. Speaker, I repeat that all recommendations submitted by the Commission on Reorganization of the Executive Branch are entitled to the usual thought and study given to similar commissions. But no commission's recommendations should be used to create opposition to House legislative proposals which may be useful and are necessary to promote the general welfare.

Stripped of any partisan consideration, this bill is a good bill and is worthy of enactment. Its passage will give further impetus to the building of another addition to the monument of lasting and noble works of President Delano Roosevelt under whose guidance and direction the Reorganization Act of 1939 was instituted.

Mr. Speaker, I wish to commend the Committee on Expenditures in the Executive Departments for its diligent and earnest work in connection with the consideration of the bill in committee. It devoted a great deal of time and study to the provisions of the bill and it has submitted a splendid report. I shall not detain the House in explaining the provisions of the bill, knowing that the members of this great committee can do so most clearly and effectively to the satisfaction of the entire membership.

Mr. Speaker, I hope the rule will be adopted and that the bill, in the interest of economy and efficiency in Government, will receive the unanimous support of the membership.

Mr. Speaker, I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. SABATH and Mr. BROWN of Ohio asked and were given permission to revise and extend their remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from Illinois, the chairman of the Committee on Rules [Mr. SABATH], has explained, House Resolution 230 provides for the consideration of the bill, H. R. 4754, to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Gov-

ernment, and for other purposes, as reported by the House Committee on Expenditures in the Executive Departments, general debate to be confined to 2 hours and to be equally divided between the chairman and the ranking minority member of that committee.

Before discussing this legislation—because I am exceedingly interested in this bill inasmuch as I have served for nearly 2 years as a member of the Commission on Organization of the Executive Branch of the Government—I should like to correct one misconception that has arisen in connection with this Commission. Several Members have called it to my attention.

So that there will be no misunderstanding in the mind of the general public, this Commission is not nor has it been a Presidential commission. The Commission was created by the Congress, and two-thirds of the Commission were named by the Congress, there being 12 members of the Commission. Four members were named by the Speaker of the House in consultation with the minority leader of the House, four were named by the President of the Senate in consultation with and upon the advice of the minority leader of the Senate, and four were named by the President of the United States.

This primarily is a congressional commission and the Commission has worked under the direction of, and by the orders of the Congress. In other words, the Commission has been an arm of the Congress. And, of course, the Congress must lead the way in making possible the great reforms that can come from the recommendations and findings of the Commission.

In the very beginning let me also say I am hopeful we may soon be able to have a reorganization act through this Congress and on the desk of the President so that he can submit to the Congress his plans for the reorganization of the executive branch of the Government. As I have studied this problem, it seems to me that about 20 percent to 25 percent of the 318 recommendations and findings made by the Commission and submitted to the Congress and can be put into effect through executive or administrative orders. In other words the Commission has pointed out the deficiencies and delinquencies in the operation of the executive branch many of which can be corrected by better administration or by some change in a rule or regulation which can be made by the order of some administrator or department head or by an Executive order from the President. Another 35 percent or 40 percent of the recommendations and findings of the Commission can be made effective if we have a workable reorganization act authorizing the President to submit to the Congress reorganization plans for the consideration of the Congress. If the Congress disapproves, of course the plans will not become effective. But, in about 40 percent of the Commission's recommendations and findings, it will be absolutely necessary to have legislation enacted providing changes in our present laws. So the Committee on Expenditures has brought in this bill to make statutory changes absolutely necessary if we are

to carry out the Commission recommendations on the particular matters.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. I was just home for a few days and saw a lot of people. I find they are tremendously interested in the accomplishment of the objectives of the Hoover Commission.

The gentleman has referred to the failure of this Congress to date to enact the basic reorganization legislation. I would just like to point out that certainly those of us in the minority should not be charged with that responsibility and that the primary responsibility for bringing that legislation to final enactment rests upon the majority in this body, and in the other body. I want, on this occasion, to insist that the conference proceed to agreement so that the basic reorganization legislation may be enacted to the end that the work of the Hoover Commission shall not be wasted and forgotten.

Mr. BROWN of Ohio. I thank the gentleman for his contribution. In that connection may I say that of course the House did pass many weeks ago the Reorganization Act of 1949. The bill has gone to the other body where certain changes were made in it. The measure has been in conference now for some time. It seems to me we must move rather quickly now if we are to get the benefits of the Reorganization Act in this session of Congress, because of the 60-day limitation. On May 6 the Commission filed its final report with the Congress and with the President. We had a little ceremony down at the White House and discussed this problem with the President, as a commission, for about an hour and a quarter. The President indicated his great interest in our whole program and his support of the recommendations, in general, as made by the Commission. He further advised us, and I do not believe I am speaking out of turn when I say to you, that he had in preparation, ready and waiting for the enactment of the Reorganization Act, several reorganization plans to submit to the Congress just as soon as the Reorganization Act should become law. Seemingly an impasse has been reached between the House and Senate in the conference committee, as to which version of the Reorganization Act should prevail. I am hoping that in some way that impasse can be solved; that we can get the legislation through promptly. It may be necessary for the House to give in somewhat. It may be necessary for the Senate to give in somewhat. Perhaps we can work out some compromise which will permit this whole program to move ahead.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I will be glad to yield to the distinguished majority leader who has been quite active in connection with this matter.

Mr. McCORMACK. My friend does not expect the House to give in completely, does he?

Mr. BROWN of Ohio. I do not expect the House to give in completely. I do hope, however, that the House and

Senate can reach some satisfactory compromise that might not entirely please the gentleman from Massachusetts or might not even please me, or may not please anyone. The fact of the matter is, it has been my experience that about half the time the Congress does not do what I would like to have it do.

Mr. McCORMACK. Will the gentleman yield further?

Mr. BROWN of Ohio. Yes; I yield.

Mr. McCORMACK. In view of the statement made yesterday by a Member of the other body, I am going to make a few observations, and it will be amazing just what the facts are, and how far the House conferees have gone in an effort to arrive at an agreement.

Mr. BROWN of Ohio. Of course, I cannot speak about a Member of the other body.

Mr. McCORMACK. Well, there was a statement made outside of Congress.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Yes; I yield.

Mr. HOFFMAN of Michigan. Will the gentleman from Massachusetts make that statement pretty soon? I am all "het up" and nervous.

Mr. McCORMACK. The gentleman is naturally nervous anyway.

Mr. HOFFMAN of Michigan. But I am getting more so. How long will it be?

Mr. BROWN of Ohio. I hope the gentlemen will not take up too much of my time.

Mr. HOFFMAN of Michigan. Well, I am serious about this. Is the gentleman from Massachusetts going to enlighten us, on this rule?

Mr. BROWN of Ohio. Let me answer.

Mr. HOFFMAN of Michigan. You cannot answer for him.

Mr. BROWN of Ohio. I yielded to the gentleman from Michigan, so I can use my own time, thank you.

Mr. HOFFMAN of Michigan. But you yielded to me.

Mr. BROWN of Ohio. I am rather sure that we must get this Reorganization Act through, somehow. As far as I am concerned, I am willing to give and take a little in order to have that measure enacted into law so that we may get along with this greater job we have to do.

Now, Mr. Speaker, I want to discuss for a few minutes H. R. 4754. H. R. 4754 is an example of what we will face in connection with all legislation affecting recommendations and findings of the so-called Hoover Commission. From the very beginning of the Commission's work I have maintained that the Commission's recommendations and findings cannot be considered as sacrosanct; that we cannot, as a Commission, expect the Congress or the President to take every detailed recommendation or finding that we might make, and make it effective, without changing a single letter or a single word. What we have done as a Commission, as an arm of the Congress, is to bring to the Congress our best judgment, our best recommendations, our best findings to be used as guides by the Congress, and by the President, if the Re-

organization Act becomes effective, as I hope it will, in carrying out the greater responsibility of getting economy and efficiency in the operation of the Federal Government.

H. R. 4754, while a splendid bill, is not exactly the measure that I would write if I had my own personal way about it. It does not carry out all of the recommendations or all of the findings of the Hoover Commission in connection with the subjects covered. The committee, however, does make a very good argument and states a very good reason why it has approached the problem as it has in connection with H. R. 4754. However, this bill does, in the main, follow the Commission recommendations. The committee does point out that certain of the provisions made in this legislation in a reorganizational way are only temporary; so that later on when the Reorganization Act becomes effective, or when the Congress has the opportunity to pass on other legislation dealing with reorganization plans that the necessary changes and transfer of agencies and personnel can be made in an orderly way. I think the committee has done as good a job as could be expected with this very, very difficult problem, and I want to congratulate the committee on the work that it has done in connection with it.

What this particular bill does is to set up the Office of General Services. You may say at first blush that it is creating a new office. In a sense it is, but at the same time it is bringing together quite a number of other agencies of the Government into this one central office, with the over-all result being an elimination of several separate or independent agencies through their consolidation into one, which would come under the Office of General Services directly under the President, with one man as Administrator heading up the Office. Brought into this one Office of General Services would be the contract settlement functions from the Treasury Department, and all procurement activities from the Department of the Treasury, including the Bureau of Federal Supply. There is also brought under this new Office of General Services the Federal Works Agency, which is not directly on all fours with the Hoover Commission recommendation, but as I understand the report, and the testimony, and the intent of the committee, and of the Congress, that recommendation will be dealt with later after the proper place is arranged to put the Public Works Agency. Records and Management is also brought under this new Office, and that follows fairly close, but not exactly the Commission recommendation because there still has to be some other legislation enacted before the committee can go the full way on the original Hoover recommendation. The War Assets Administration is brought under the new Office for liquidation.

The largest single governmental function with which this legislation deals, in my opinion, the place where we can get the greatest economy, and make the greatest savings, is in connection with Government purchases or procurement.

If you could take the time, all of you, to read the task force report to the Hoover Commission on Government procurement you would understand what a terrible task this committee has had, and the Commission has had, with the whole procurement problem. May I just take a minute or two to give you some of the high lights of that problem? In the first place, our whole procurement set-up has been builded upon the proposition that we had to prevent fraud, with the result that we are following a terribly expensive system in making purchases. All purchases are made through purchase orders issued by the Government, and half of them are for less than \$10, yet our studies showed that it cost more than \$10 to process each purchase order. If I remember the figures correctly, the average cost of handling each purchase order was \$11.28, and yet half of the purchase orders are for less than \$10. In other words, if the Government makes a purchase of \$1 it costs \$11.28, on the average, to process that purchase order; so the actual cost of the \$1 worth of goods is, in fact, \$12.28. That is not good business.

Then we have had the problem of centralization of supplies in some places, where you have to send clear across the country to get a little item that you ought to be able to get closer to home. On the other hand, there is also a great diversification. It has all been a terrible mess.

This is perhaps the first realistic approach that any Congress has made, as far as I can ascertain, to bring together and simplify our procurement efforts and activities in the name of efficiency and economy. I want to predict that if this legislation is enacted into law, and if the administration of the law is all that we expect it to be, the result will be huge savings for the benefit of the Federal taxpayer. It is my honest opinion that under this procurement program, as provided by the legislation before us, there will be very definite improvements in the way Government purchases are handled. Of course, it still has to be implemented. I think the gentleman from Massachusetts will agree that there are still many things to be done. There may have to be some additional legislation enacted to fit the Commission's recommendations to all departments. However, a billion dollars a year may be saved in procurement alone if we get it on a sound, businesslike basis. A billion dollars may mean a great deal each year to us in the not-too-distant future.

So while this measure is perhaps not all that it should be, and it may be said that it is not on all fours with the recommendations and findings of the Hoover Commission, it has gone about as far, in my opinion, as the Congress can go at this particular moment to implement those certain recommendations and findings. I have the assurances of the Committee on Expenditures that as they move along and take up other facets of the reorganization plans, the program, as outlined, will be made effective in an over-all way.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Indiana.

Mr. HARVEY. At this time I want to pay particular tribute to the gentleman from Ohio [Mr. BROWN] for the very fine, persistent, and consistent efforts he has put forth as a member of the Hoover Commission in an endeavor to bring about just such type of legislation as we have before us today.

Mr. BROWN of Ohio. I thank the gentleman very much for his very kind statement.

I would also like to mention for a moment the records-management section of this bill, which is very, very important. I hope that the Members will listen to the detailed explanation to be made by the members of the Expenditures Committee as to how this new records-management matter will be worked out. There will be huge savings possible there also, and not only savings but, perhaps even more important, an increased efficiency in the functioning and operation of the Federal Government.

So, Mr. Speaker, I am very happy that the House is again leading the way in bringing in the pending legislation, which I am sure will be enacted today, putting these particular recommendations and findings of the Hoover Commission into effect and this new agency into being. It is necessary, it is wise, and the legislation is a great step in the right direction. There is still much to be done. I hope that we may get some other legislative bodies to be a little more reasonable so that we can work out a reorganization act that will permit us to function effectively. As I have stated, I stand willing and ready, as far as I am personally concerned, to compromise a little bit in order to get this program moving along.

May I extend my thanks and congratulations to the members of the Committee on Expenditures of the House, and particularly to the subcommittee which has been handling this legislation, for the difficult task that they have been engaged in. I hope the pending rule will be adopted and that the bill will be passed by the House unanimously.

Mr. SABATH. Mr. Speaker, realizing that the Members desire to hear from our majority leader, I yield 10 minutes at this time to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, I agree with the gentleman from Ohio [Mr. BROWN] that the subcommittee and the full committee have done a very good job on this bill; that it represents decided progress, and that the bill as reported out of the committee should pass the House.

Underlying the whole success of reorganization, however, is the passage of the reorganization bill that is now in conference. My friend, the gentleman from Indiana [Mr. HALLECK] has made a statement that I am in complete agreement with, also the gentleman from Ohio [Mr. BROWN] of the importance of that bill being agreed upon and enacted

into law as soon as possible. That requires an understanding mind on the part of both sides. The House conferees have gone at least 80 percent of the way in trying to bring about a compromise. I realize the necessity of time, and if time was not involved, I could not in conscience have gone as far as I have been willing to go.

One of the distinguished Members in an outside statement yesterday made some observations that are rather amusing to me, exceedingly so, and to those of us who have sat in the conference. The basic difference was a two-body veto or one-body veto. This House passed a bill providing for a two-body veto. We have simply followed what the Congress has done on three previous occasions when we passed reorganization bills during the past 8 or 10 years, and both branches finally enacted into law reorganization bills calling for a two-branch veto. It is true there was a termination date, and that is why we had to pass, from time to time, new reorganization authority legislation.

This House went on record by a pretty strong vote in favor of the two-body veto. If we are going to pass a reorganization bill we might as well pass one that is going to do the job. There is no use passing a bill where a few groups in either branch, on both sides of the aisle, can get together and defeat any plan that comes up. To do that would be mockery.

Now, the main basic difference is not so much the question of whether it is permanent legislation or solely for a period of time. That could be adjusted in 5 minutes. There is not any question in dispute between the two bodies but what could be adjusted in 5 minutes. But, the basic difference is the two-body veto or one-body veto. Now, that gives quite a wide field for compromise.

Let us see some of the compromises, because I cannot tell what took place in the conference committee, and I would not divulge such information. But, just let us see what some of the compromises might be. We, on the part of the House, could offer a compromise of a two-body veto and an alternative one-body veto with a straight two-thirds or strict two-thirds. We could offer a two-body veto or an alternative two-thirds veto of one branch. The Senate could offer a one-body veto or a straight majority of 218 in House and 49 in the Senate. The Senate could offer a compromise of a two-body veto or a majority, a straight majority, called a constitutional majority, but I will call it a straight majority, of 218 in the House and 49 in the Senate. But if you have that proposition you might as well not have the two-body veto, you might as well accept the one-body veto, because, for all practical purposes, a two-body veto under those circumstances would mean nothing. On the other hand, the House could offer a two-body veto or three-fifths straight as an alternative. Further, the House could go to a two-body veto or an alternative of three-fifths of those present and voting thereon; or the House could go to a one-body veto of three-fifths straight or three-fifths present and voting thereon. As between those two, there is nothing

else you can do except have a straight majority of one body or three-fifths of one body present and voting thereon.

If the House conferees have gone to three-fifths of one body present and voting thereon, I do not know how much further we can go without a complete abdication. If we have done that we have done it because of the 60-day proposition, in the hope that plans will be set up, if we have gone that far, three-fifths of one body.

Yes, we could have in the case of two-thirds of one body, and the two bodies as an alternative proposition brought back the single package. Yes, we could have made an exemption of the Army Corps of Engineers, which is the key. Do not worry about that, that is the key. Maybe we did. Maybe we explored all those things, and in a desire to do something may have gone to three-fifths of the membership of one body possessing the power of veto.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. I do not want to inject politics into the matter of these proposals because they are not political and they should not be. However, I recall occasions during the conduct of the affairs of the Eightieth Congress when it was said to us that certain things must be accomplished, that we must get them done, and we did get them done.

Now, I should just like to remind the gentleman that his party is in control of the Eighty-first Congress. We have been in session for 5 months. The Hoover Commission has done its work. The people of the country are demanding action. Again, I must insist that this legislation somehow or other must be brought to accomplishment in order that we may proceed with the Hoover Commission's proposals.

Mr. McCORMACK. It is very nice to hear the gentleman say that, but does he want to have an ineffective bill?

Mr. HALLECK. I do not want an ineffective bill, and I am not completely sure what would be ineffective and what would be effective. There are thoughtful people who believe that a one-House veto would still permit the accomplishment of reorganization. I supported the bill providing for a two-House veto. However, I would say to the gentleman very frankly that as between no reorganization measure at all and even a constitutional majority of one House, I would take the latter and see how it works. If it does not work, then we can try something else, but certainly that would be better than a complete stalemate that would prevent the people of the country from getting the benefit of the advantages of the Hoover Commission recommendations.

Mr. McCORMACK. May I say that the gentleman goes directly contrary to the recommendation of former President Hoover, who came out absolutely for a two-House veto.

Mr. HALLECK. I recognize that, and I say again I voted for the House bill providing for the two-House veto. How-

ever, we are confronted with a practical situation. So again I say we had better try something than nothing.

Mr. McCORMACK. It is much better, in my opinion, to try nothing than to try a proposal for a single-house veto on a straight majority, because there is nothing to stop any plan which is sent up being defeated. The first situation we met was that unless such-and-such an agency is exempt, there will be no bill. Then, what are you going to exempt?

On the question of whether or not we are going to put some kind of bill through that will have some reasonable assurance of effective reorganization, the matter could be adjusted in 5 minutes. So far as the House conferees are concerned, we are in a position where you will take one proposition or nothing. I submit that if we had gone to the extent of being willing to accept a proposition calling for a veto by three-fifths of one body, if we had gone that far, then we certainly would have gone the full distance and some of us would have had to sacrifice firm convictions because we believe that the only way you could have real effective reorganization is through a two-body veto. We would have had to see the Congress take the journey back from what it has done in the last three bills when there was no difficulty in the proposals providing for a two-body veto going through. But now the Army engineers are the key. The Army engineers are afraid. I am friendly to the Army engineers, but all I can say is that some of the friends of the Army engineers are doing them irreparable harm because they are putting the Army engineers in a position of being more powerful than Congress, more powerful than the President, more powerful than everybody, more powerful than the Government itself. That is a dangerous position for any agency to permit itself to get into. It is a dangerous position for any of its friends to put an agency in. If it were not for the Army engineers, this would have been settled in 5 minutes. If we had capitulated, I could not come back here with even a minimum of respect for my convictions. All I can say is we have done everything within our power which should appeal to reasonable men, going at least 80 percent of the distance, in my opinion, to make a compromise in order to bring about an adjustment of the differences.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROWN of Ohio. I have listened with a great deal of interest to the gentleman from Massachusetts, and I realize how sincere he is in his position and in his great anxiety to carry forward this program and the recommendations of the Hoover Commission. However, I believe I should say to the gentleman from Massachusetts and to the House that, as a member of the Commission, when the question was up before the Commission,

I opposed the two-House veto recommendation and took the position that in my opinion inasmuch as it would require the action of both Houses to enact legislation to do the things which the Commission might recommend, that perhaps at least from a constitutional angle, and to protect the integrity of the Congress, one House should be given the right to veto any action with which they did not agree, and which the President might take in submitting a reorganization plan. However, because I was so deeply interested in seeing that this whole program move forward, I dropped my objections and went along with the Commission in the general recommendation that there be a two-House veto provision in the Reorganization Act. Then, when the reorganization measure came to the floor, I said to the House that it was not in entirely the form I would write the legislation I expected to support it, and I did vote for it.

I rather have the feeling that it is more necessary to have some sort of a Reorganization Act on the President's desk so he may proceed with the submission of his reorganization plans to the Congress than it is to have the two-House veto provision, because I believe that the President will submit plans to us which, will be substantially near the recommendations of the Hoover Commission, and will have so much support from the country and the Congress that this whole question of one- or two-House veto power will simply be an academic one, and there will not be any objections to the reorganization plans.

Mr. HOFFMAN of Michigan. Mr. Speaker, in my somewhat feeble way, I will attempt to answer the gentleman from Massachusetts [Mr. McCORMACK] insofar as the rules and ethics permit, during the general debate.

I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an address by Dr. Marvin, president of George Washington University.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. CASE of South Dakota. Mr. Speaker, in looking over this bill it occurs to me that in one respect the committee has reported a bill which is better than the chart would indicate, which has been distributed here. The chart would indicate that the Federal Works Agency is continued, with the Public Buildings Administration, the Public Roads Administration, and the Bureau of Community Facilities as constituent parts of it. Actually, the Federal Works Agency is abolished under the language of subparagraph (b), section 103, on page 9, which I would think is as it should be. Otherwise, the Federal Works Agency would be a layer between these constituent agen-

cies and the Administrator of General Services.

There may be some question raised as to whether or not the Public Roads Administration, a construction unit, should be put in the same bracket as War Assets and some of these other agencies which are administrative in character. I shall listen to the debate on that point with interest. There is another section which gives me concern—section 109.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. CASE of South Dakota. I would like to invite the attention of the Members to the paragraph on page 12, section 109, relating to salaries of officers. I would like to sound a note of caution and ask the committee for its intent. Section 109 proposes to give the President the right to fix the rate of compensation for the Administrator of General Services, the Deputy Administrator, the Commissioner of Federal Supply, the Commissioner of Public Buildings, the Archivist of the United States, and the Commissioner of Public Roads. The President is to fix their rates of compensation, pending the effective date of other provisions of law fixing the rate of compensation.

This means that if we never pass a new pay bill the President from now on will be determining the rate of pay for these individuals. He could make them out of all proportion to the other heads of executive agencies, in the hope, perhaps, that that would set a pattern for a general lifting or a general lowering of other salaries. Or he could adopt a figure which would be at considerable variance with any legislation which we might subsequently adopt, and it might mean a considerable reduction for them.

It is a bad precedent to start.

These people, when transferred to the General Services Administration, should continue at the salaries now applicable under existing law, until a general pay bill is adopted, in my opinion. I cannot understand why you should want to set any such precedent as giving the President this authority at this time.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman from South Dakota yield for an answer?

Mr. CASE of South Dakota. I gladly yield to the gentleman from California.

Mr. HOLIFIELD. The committee considered setting specific salaries on this group of officers. In the first place, we could not put all of them in at existing salaries.

The SPEAKER. The time of the gentleman from South Dakota has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield the gentleman from South Dakota the balance of my time.

The SPEAKER. The gentleman from South Dakota is recognized for two additional minutes.

Mr. HOLIFIELD. The offices of Administrator of General Services and the Deputy Administrator, of course, are new offices for which we have no precedent. As to the Commissioner of Public Roads

and the Commissioner of Public Buildings I understand that their salaries are set in the deficiency appropriation bill.

Mr. CASE of South Dakota. They are established, I might say to the gentleman from California, in the independent offices appropriation bill; and the reason I am concerned is that we gave careful consideration to this in reporting the independent offices appropriation bill this year, and did advance the salary of the present Commissioner of Public Buildings and the present Commissioner of Public Roads by a provision in the independent offices appropriation bill. We thought that was giving them some consideration, but we did not feel that we should advance them above a comparable scale for other persons with similar responsibilities. Here you give the President the opportunity to set these salaries up, we will say, to \$16,000 a year which might be and would be way beyond that of the members of the Federal Communications Commission, the Interstate Commerce Commissioners and officials of other agencies of that class; and it certainly would not be desirable to have these few men brought up to that high level and then perhaps have nothing at all done on a general pay bill. And basically, I believe that Congress should control the purse. We, not the executive, should determine pay schedules.

Mr. HOLIFIELD. The reference to other existing laws includes the Federal salary bill which, as we understand, will be reported in this session of Congress, and also the independent offices appropriation bill. We also include the phrase "commensurate with their responsibilities." We feel that their responsibilities can be adjusted in relation to those of other administrative officials in other departments of the Government.

Mr. CASE of South Dakota. That may be so, but it gives the President the opportunity to prejudice what the Congress should do on the salary question and certainly is a bad precedent. When the bill is read for amendment this should be corrected.

The SPEAKER. The time of the gentleman from South Dakota has again expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Speaker, following the question asked by the gentleman from South Dakota [Mr. CASE], I may say by way of explanation that the committee itself was not particularly happy over this provision. At the time this bill was drafted, however, the independent offices appropriation bill had not been passed by the Senate, so we first came up with a bill leaving that particular salary provision blank; then realizing that that in itself was not a wise proceeding or good way to present legislation to the House, we included this language. I believe the gentleman from California; chairman of the subcommittee, will agree with me that the subcommittee is willing to go along on any reasonable provision with regard to that. We did

have to bring a specific bill before the House.

Mr. Speaker, I yield back the balance of my time.

Mr. SABATH. Mr. Speaker, I had intended to answer the gentleman from Ohio and the gentleman from Indiana and comment on their respective statements, but I will forego that pleasure and now move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HOLIFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4754, the Federal Property and Administrative Services Act of 1949, with Mr. PETERSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOLIFIELD. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, when the rule covering this bill was being considered, the discussion representing the conflicting views on the part of the gentlemen on both sides of the aisle had nothing to do with the bill we are presently considering. Their views were on another matter entirely.

Mr. Chairman, we have under consideration H. R. 4754, which may be cited as the Federal Property and Administrative Services Act of 1949. This measure was reported out unanimously from the Committee on Expenditures in the Executive Departments.

This bill establishes a basis for a plan to simplify the procurement, utilization, and disposal of Government property, and to reorganize certain agencies of the Government, and for other purposes.

The major purpose of this bill is to provide for a uniform system of property management and supply for the entire Federal Government. Accordingly H. R. 4754 creates a new General Services Administration, which will include the property-management functions now scattered among several Federal agencies and carry with it certain other related service activities.

Many of our States and some of our large cities have excellent uniform property-management systems; practically every large business enterprise and most small concerns have devised and developed such systems. These bodies and organizations have learned from experience that they must have these systems in order to run their business efficiently and economically. However, in the Federal Government there is a definite need for this phase of management, and at the present time we find it lacking. In the Report on an Office of General Services, compiled by the Commission on

Organization of the Executive Branch of the Government and dealing with the supply activities of our Government, we see a vivid description of the staggering size of the supply problem besetting our Government. This Commission, popularly termed the "Hoover Commission," has this to say:

The Federal Government runs one of the greatest supply businesses in the world. It is spending more than \$6,000,000,000 a year for new material, supplies, and equipment for the regular activities of the civilian and military agencies. The Federal Government has in storage also in the continental United States, military and civilian inventories valued at \$27,000,000,000. * * * The Government also pays out more than \$1,000,000,000 yearly for transportation of property and \$440,000,000 in salaries of the nearly 150,000 employees working in supply operations.

At the present time the administration of this vast Federal supply business is largely uncoordinated, to some extent duplicative, and definitely in need of better methods and procedures. Corrective steps, which are indeed long overdue, are now critically required. Under the existing law, the War Assets Administration will be dismembered on June 30, 1949—just 22 days from now—its sizable remaining inventory, as well as the disposal of surplus property generated in the future, will be scattered throughout the Government; thus we will see the present lack of better uniform management continued in this regard. Having this urgency in view, together with the complexity and scope of the property management problem, and the desire and enthusiasm on all sides for an immediate solution for the needs, our committee held long and extensive hearings, encompassing several weeks. These hearings were based on a bill, H. R. 2781, presented by the Federal Works Administrator, with the approval of the Director of the Bureau of the Budget, acting on behalf of the President. We sought testimony from many experts in this field, and we solicited and heard everyone who evinced a desire to be heard. This list of witnesses included Mr. Carter Manasco and Mr. CLARENCE BROWN, the two Members of the House who served on the Commission on Government Organization, among others. The bill brought out by our committee—H. R. 4754—is based upon the Administration's early bill, upon the report and recommendations of the Commission on Government Organization, upon the recommendation of the Comptroller General of the United States, and upon several salient factors we believe merited attention and consideration. Under the able leadership of the gentleman from Illinois, the distinguished chairman of the full committee [Mr. DAWSON], the members of our subcommittee, particularly Messrs. BURNSIDE, BOLLING, and HARVEY, have labored on the problem long and patiently. Mr. RIEHLMAN, though not a member of the subcommittee, often sat in with us and made many valuable contributions. Thanks are due to these gentlemen, and the remaining members of our committee. We think we have in our bill here today as fine and clear charter for Government prop-

erty management as can be developed at the present time.

Thus in strict accordance with the recommendations of the Commission on Organization, the bill creates a new General Services Administration. Likewise as recommended by the Commission in its very recent concluding report, we have set up this General Services Administration as an independent establishment, and not as a part of the President's Office. However, the Administrator of General Services will be appointed by the President and will be personally and directly responsible to him. Continuing in this vein we see that property management affects every executive agency and so the bill expressly authorizes the President, himself, to prescribe policies and directives, and specifies that these Presidential policies and directives shall govern—not merely guide—not only the Administrator but all executive agencies in carrying out these property-management functions. Here we have established, therefore, a clear-cut line of authority running directly from the President and involving a very close working relationship between the President and the Administrator. This objective is accomplished without resort to the unworkable extreme of placing an operational, or line activity, having approximately 35,000 employees, within the small staff or advisory body which ministers to the President in policy matters.

I cannot help but bring out at this point that there are only 1,204 individuals in the President's advisory staff, what we properly call the President's office, to show how ridiculous it would be to bring in an operational governmental function of some 35,000 people and place them in the President's office, which now has only 1,204 people.

In keeping with the recommendations of the Commission on Organization, our bill lodges in the General Services Administration: (A) the management and operation of most Federal office buildings and warehouses now under the general administration of the Federal Works Agency; (B) the procurement, cataloging, supply, and related functions of the Government, including the present Bureau of Federal Supply, now in the Treasury Department; and (C) records management functions, including the National Archives establishment.

The disposal of surplus property is the reverse process of procurement and supply. In our bill the functions of disposing of surplus Government property has been placed in the General Services Administration. This latter is presently the responsibility of the War Assets Administration, where World War II generated surplus is involved; the Federal Works Agency and the Bureau of Federal Supply handle the remaining surplus. Another end result of procurement is contract settlement, this fast dwindling function is within the purview of the Bureau of Federal Supply. Acting in conformance with the strongest recommendations of the Secretary of the Treasury, H. R. 4754 transfers these contract-settlement functions to our newly created agency.

I want to point out that the function of the Contract Settlement Board operates under its own statute, and that it is merely placed in this office of general services for housekeeping functions, as it has been placed in the Treasury Department for housekeeping purposes alone. Neither the Secretary of the Treasury nor the Administrator of Federal Services can interfere with the function of the Contract Settlement Board, because it rests upon its own statutory authority.

The backbone and hard core of the new organization will be the Federal Works Agency, administering as it does the largest single segment and providing about 80 percent of the total personnel.

This bill reposes in the General Services Administration the remaining activities of the Federal Works Agency, which are (A) the design and construction of public buildings; (B) the conduct—in the Public Roads Administration—of the administration of the Federal-aid road program; and (C) community facilities. The Commission on Government Organization recommended that the Federal-aid to the States for the development of roads be transferred to the Department of Commerce as part of a new alignment of transportation services. The Commission also recommended that the design and construction of public buildings, and the provision of community facilities become part of centralized building construction services in the Department of the Interior. No matter how meritorious these considerations may be, such proposals are separate subjects worthy of independent treatment and not to be cursorily handled as a byproduct, or collateral issue of property management. As soon as possible it is our committee's intention to give careful study, weight, and evaluation to these proposals, but feel that at this time no opinion should be expressed concerning them. Thus, meanwhile, rather than leave these public works service functions dangling in thin air, our bill carries them into the General Services Administration. After we have gathered within the four walls of our structure these related ingredients, it is the intention of the committee, after deliberation and study, to effect the best possible solution for these constituent agencies.

Merely placing the several property management and service agencies under one roof obviously will not in itself eliminate overlapping and duplication.

In the Federal Works Agency at the present time are the Public Buildings Administration, the Public Roads Administration, and the Bureau of Community Facilities, so that without disturbing their operational functions at this time we place them in this office as the means of bringing related things together. Later we are going to refine the functions of each one of these agencies that are placed in the General Service Administration. Then if at that time the recommendations regarding Public Roads and Public Buildings, after being given a fair hearing before our committee, show that they should be transferred to other bodies, whether it be the

Department of Commerce or the Department of the Interior or any other department, at that time, when the whole subject is being considered, we expect to take such action as our committee deems to be wise.

Accordingly, and again in line with the recommendations of the Commission on Government Reorganization, the bill centers in the Administrator the responsibility to carry out all functions and authorizes him to delegate his authority to subordinates as he deems appropriate. The bill further authorizes the Administrator to regroup and redistribute the various segments and functions of the agencies incorporated in the General Services Administration.

Let me clarify that by saying he can only regroup and redistribute in the office itself. He cannot take it outside or get somebody else and bring it in. This is clearly for the purpose of redistributing and eliminating overlapping and duplication within these related agencies of Government. There we hope we can achieve some measure of economy.

The superlative record of the new Federal Works Administrator, Mr. Jess Larson, in bringing improved management into the War Assets Administration fully guarantees that he will, in carrying out his duties, so regroup and redistribute the elements of the General Services Administration as to eliminate overlapping and duplicative activities, and thus promote efficiency and economy in the Government.

The Federal Government needs immediately a comprehensive, workable plan for property management. This plan, had it been established in the past, would have returned enormous savings to the Federal Government through the elimination of competition by the executive agencies for the same articles in the same markets, by prudent buying, and including quantity purchases. This is made even more glaringly apparent when we consider that losses to the Government are particularly acute when one agency has purchased new articles while at the same time, another agency in the Government has been disposing of the same articles by sale at low prices or storing same in their basements. There is a definite need for a clearing house of information as to goods on hand and usable. In the role of the General Services Administration, we see this defect cured. Through lack of central coordination, waste and losses have occurred in the field of warehousing and other space utilization. Appearing before our committee, the former Federal Works Administrator, General Fleming, said that the Department of Agriculture paid \$4,000,000 a year rent to store wool in private buildings in the New England area. While at the same time in this particular area, there was enough empty, available, warehouse space, owned by the Government, which might have been pressed into service for this purpose. General Fleming cited this \$4,000,000 a year loss as directly attributable to lack of coordinated information, and a lack of centralized controls and supervision in this regard in the executive branch.

This type of situation will be eliminated under this bill.

The key to the bill is section 201 which provides for a uniform yet flexible system—Government-wide—for procurement, warehousing, property identification, supply, traffic management, and management of public utility services. As pointed out by the Commission on Government Organization, uniform policies and methods are absolutely essential to achieve economy, efficiency, and substantial savings.

It is expected, however, that the carrying out of these functions will often be delegated to the various executive agencies for operational purposes, and the bill so provides. Primarily, centralized procurement will be limited only to those items commonly used by a number of agencies. Also, the bill specially provides that the Secretary of Defense may, unless the President directs otherwise, exempt the National Military Establishment from action by the Administrator, whenever the Secretary deems such exemption to be in the best interests of national security.

The bill contains strong provisions for maximum utilization by the Government of its own property. Everyone familiar with this phase considers that efficient use by the Government of its own property will save more money than any other phase of property management. It will reduce to a minimum the procurement of new supplies. It will cut to the bone the sale of used supplies at less than their cost. Section 202 of the bill directs the Administrator to prescribe over-all systems for property use, and requires every executive agency to maintain adequate inventory controls and report any needs for new property to the Administrator. It also requires these agencies to report to the Administrator any property on hand no longer needed by such agencies. Independent of these reports, the Administrator is authorized to conduct his own surveys with respect to the use of property by other agencies.

Acting in conjunction with the Comptroller General of the United States, the Honorable Lindsay Warren, our Committee developed a most important phase of property accounting. In this regard, the Comptroller General is directed to prescribe principles and standards of property accounting, to cooperate with the Administrator and executive agencies in developing property accounting systems, to approve those systems, and to report to the Congress any failure by any executive agency adequately to account for its property. This section, in itself, is very important. Existing property accounting legislation is incomplete and largely antiquated. The development of sound and uniform principles and standards in this field and the devising and installation of modern systems of inventory control and property accounting will go a long way in aiding Government agencies to do a better job and make substantial savings in appropriated funds by making better and fuller use of property owned by the Government. Furthermore, by another section—206 (C)—the Comptroller General is directed to audit all types of

property accounts at the places, as far as practicable, where the property or records are kept. To prevent augmentation of appropriations contrary to congressional intent, the bill provides that in general all transfers of excess property from one Federal agency to another shall be at the fair value thereof, as determined by the Administrator, and the proceeds covered into the Treasury. The present limited authority of the Federal Works Administrator to assign office and storage space in Government buildings is enlarged and strengthened. This will prevent hoarding of space by executive agencies and will reduce both the demands for private leased space and for the construction of new expensive Government buildings.

Under this bill property becomes surplus to the needs of the entire Government, only when so determined by the Administrator and only after he has exhausted all efforts to find another Federal use for it. The provisions relating to the disposal of such property generally follow those contained in the present Surplus Property Act of 1944 with these significant exceptions. After December 31 of this year—the date of expiration of the Surplus Property Act—all property valued in excess of \$500 must be disposed of by advertising for competitive bids. There are no priorities or preferences in the disposition of such property. The special conditions which induced the Congress to establish certain priorities in the disposition of World War II generated surpluses will not apply to the relatively small and widely scattered peacetime generated surpluses which will occur over the years. The bill recognizes, however, that occasionally there will be surplus to the Government books, equipment, or other supplies the sale of which would realize little cash return but which would greatly benefit our schools and colleges. The bill, therefore, authorizes the Administrator, in his discretion, to donate such surplus property for educational purposes, but only upon the recommendations of the Federal Security Administrator. Furthermore, the bill authorizes the Federal Security Administrator to take any action respecting the enforcement of compliance with or the amendment of contracts and deeds by which property has heretofore been transferred under the Surplus Property Act of 1944 for educational or health use.

The bill retains, in substance, first, the present authority of the Secretary of Agriculture to control the disposition of surplus agricultural commodities so as to prevent dumping or disruption of price-support programs; second, the authority of the United States Maritime Commission to dispose of surplus vessels of 1,500 gross tons or more; and, third, the authority of the Attorney General to investigate and advise the Administrator with respect to possible inconsistencies with the antitrust laws in the disposition of surplus property.

It is not our thought that having passed this bill the Congress should forget about the whole problem of property management. On the contrary, the bill requires the Administrator to submit a

report on his operations in each January and at other times as he deems desirable. He is also directed to submit to the Congress with his report any recommendations for amendments which he may consider necessary for better affectment and administration as a result of operating experience.

Title III adopts completely another recommendation of the Commission on Government Organization. It extends to the General Services Administration virtually the same flexible procurement procedure that the Congress granted to the National Military Establishment in the Armed Services Procurement Act of 1947. The language of this title was drafted in cooperation with representatives of the General Accounting Office and is endorsed by the Comptroller General. This title also requires that a fair proportion of all purchases shall be placed with small-business concerns.

In considering title IV we find excess property located in foreign countries has far less potential for general Government use than property physically located within the borders of United States. In our Government, the armed services are the only substantial users of property in foreign countries. Further, the costs of transporting foreign excess property back to the United States and of rehabilitating it would, in most cases, equal or exceed its value for use by a civilian agency here. And, most importantly, the disposal of foreign excess property to foreign governments has proved in the past, and should continue to prove in the future, an effective instrument for aiding our foreign policy. Accordingly, this bill in title IV provides generally that the responsibility, for the disposition of foreign excess property, shall be lodged in the agency charged with its custody, subject however, to policy guidance and direction by the Secretary of State.

Under title V in order to prevent uncertainty before the new order is brought into being, this bill temporarily preserves existing policies and directives, until modified by administrative authority under the new legislation. The bill repeals the Surplus Property Act of 1944 except for the sections relating to transfers for the airport programs and for parks and historic monuments, and the sections relating to the foreign-scholarship program, all of which are retained as permanent legislation. The bill likewise repeals (a) that portion of Public Law 862 of the Eightieth Congress which would abolish War Assets Administration on June 30, 1949, and scatter its functions throughout the Government; (b) Executive Order No. 6166, the present limited procurement authority, and (c) also some 20 statutes relating to the use of trade-in allowances. In other respects, the act will supplement, but will not supersede, existing laws relating to property management. In conclusion, the bill exempts certain specialized activities, the principal ones being programs of the Department of Agriculture for price support and stabilization, grants to farmers, foreign aid, the stockpiling of critical materials, the national school-lunch program, the Atomic Energy Com-

mission, the Central Intelligence Agency, and some responsibilities of the Tennessee Valley Authority.

Thus we have by virtue of this bill, taken the first of a series of steps which will inevitably result in the increase of efficiency in Government. Vast savings and better management methods will be introduced to keep the Government service abreast of the developments and plans for operation in these fields.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. JENSEN. Do I understand that by the provisions of this bill none of the functions and responsibilities of the Department of the Interior, so far as public works are concerned, such as reclamation, irrigation, and so on, are placed under the functions and responsibilities of the administrator of general services?

Mr. HOLIFIELD. The gentleman is exactly right. We have not disturbed the functions of any of these agencies by adding to them or taking some of their functions and putting them under another department. The Hoover Commission recommended a separate study of the Department of the Interior. It is our understanding that that particular report has been referred to the Committee on Public Lands, and we feel that those matters would rightly come under their functions, because that is the overall problem of Interior.

Mr. JENSEN. There is a possibility however, that the public works of the Department of the Interior may at some later date be put under the jurisdiction of the administrator of general services?

Mr. HOLIFIELD. Of course, I do not know about that. As far as I know, it is not recommended in the Hoover Commission report and it has never been considered by our committee. As to what will occur in the future in the way of additional substantive legislation or reorganization plans which may be submitted to the Congress, I have no knowledge.

Mr. JENSEN. Of course the public works functions of the Department of the Interior and also the civil functions of the Army engineers fall under the category of public works.

Mr. HOLIFIELD. That is right.

Mr. JENSEN. That is why I raise the question: Is this going to be an over-all administrative change handled by public works, or is it contemplated that the Department of Interior public works, and the Army engineers civil functions may be put under a different department?

Mr. HOLIFIELD. Any answer that I would give would be purely speculative. I can only assure the gentleman that they are not affected by this bill.

Mr. JENSEN. I thank the gentleman.

Mr. PICKETT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Texas.

Mr. PICKETT. In connection with the effect of the bill to improve the Administration of General Services that is being dealt with, does it also provide for a reduction in personnel and does it require a reduction in personnel?

Mr. HOLIFIELD. Is that a question?

Mr. PICKETT. Yes.

Mr. HOLIFIELD. Does it require a reduction in personnel?

Mr. PICKETT. Yes.

Mr. HOLIFIELD. It requires the General Services Administration to regroup the agencies under the office of Administrator of General Services and to eliminate duplicating activities and duplicating functions of personnel. We therefore feel there will be some elimination of personnel. So far as providing for a specific reduction, it does not, because that would be going at it a meat-axe way, not going at it intelligently, as I think the Administrator of General Services can do after he has had some operating experience.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Chairman, I yield myself three additional minutes.

Mr. PICKETT. The committee has had the advantage of the Hoover Commission studies as well as its own study. It knows, of course, of the good work of the Hoover Commission, and the committee itself has done good work, for which I commend the gentleman and the committee. As a result of the knowledge gained from the studies the gentleman and his committee have made, does the gentleman think he could very advantageously apply an intelligent meat-axe cut in connection with some of these departments by writing it into the legislation itself?

Mr. HOLIFIELD. I disagree with the gentleman as to how it should be done, but I am in complete accord with the gentleman so far as making any move that it is possible to make in eliminating costs that are excessive to the taxpayers.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. KEATING. Has the committee made any estimate in its report or otherwise of the number of employees it is anticipated would be saved by the enactment of this legislation?

Mr. HOLIFIELD. The committee has not and any estimate would be entirely speculative. What we have done is not to eliminate any functions. We have taken these agencies in their present form and moved them into a central office where one Administrator will be responsible for the over-all scrutiny of the agencies, the screening of personnel, as well as reporting to the President and to the Congress the savings he thinks may be effected. The Hoover Commission report estimates that two and one-half billion dollars can be saved by properly working out the administrative problems in these agencies.

Mr. KEATING. An annual saving of two and a half billion dollars?

Mr. HOLIFIELD. No.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman does not mean to be understood as saying this bill, according to the Hoover estimate, will save two and one-half billion dollars?

Mr. HOLIFIELD. That is on the last page of the report.

Mr. HOFFMAN of Michigan. Where?

Mr. HOLIFIELD. There is such a statement on the last page of the report.

Mr. HOFFMAN of Michigan. All right, if the gentleman says so, but that is not my understanding.

Mr. HOLIFIELD. May I read from the Hoover Commission report to the gentleman:

The task force also estimates that it should be possible to reduce stores inventories, both military and civilian, by over \$2,500,000,000. This would permit a cut in personnel engaged in stores activities. The adoption of the recommendations relating to traffic management would produce additional savings.

Mr. HOFFMAN of Michigan. Yes; but the whole over-all saving that the Hoover Commission thinks will be obtained is only \$3,000,000,000; not this one bill.

Mr. HOLIFIELD. I think most of the savings that can be made will be made in the services which are being rendered by these agencies, including the Military Establishment.

Mr. HOFFMAN of Michigan. I hope I am mistaken and the gentleman is right because this new agency will require the services of 60,000 employees.

Mr. HOLIFIELD. No; the gentleman is wrong. There is a 60,000 figure in the hearings, but that is inaccurate. The amount is less than 35,000.

The CHAIRMAN. The time of the gentleman from California has again expired.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill is not the kind of a bill that was recommended by the Hoover Commission, and the reasons I say that are pointed out in the minority report which I filed, and which is printed herewith, marked "Exhibit Q," and made a part of my remarks.

Nevertheless, I am impelled by two reasons not to oppose the bill. As the gentleman from Indiana [Mr. HALLECK] so accurately stated when the debate was had on the rule, the people throughout the country, aware of our present situation, are thoroughly convinced that there must be economy in the Federal administration. They are confused, and get the idea that anything that comes in under the Hoover name is going to give them economy and efficiency, and anyone who votes against any one of these so-called plans is going to be misunderstood; there is no question about that.

Now, that might not be a compelling reason for not opposing the bill. But there is another reason, a real reason, not an excuse. I learned through discouraging, bitter experience that sometimes you have to take what you can get, and this is the best we can get at this time.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Briefly.

Mr. FORD. I would like to state that the major portion of my mail concerns the Hoover Commission reports, and most of the people want to know when

it is going into effect. Would the gentleman, as one of the members of the conference committee, tell us when enabling legislation will be enacted?

Mr. HOFFMAN of Michigan. Well, now, I would be very, very happy to answer that question in detail if free to do so. The gentleman from Massachusetts the majority leader [Mr. McCORMACK] and one of the conferees discussed that matter somewhat at length during the debate on the rule. I spoke to him a few minutes ago and I told him that I would attempt to make some reply to his statement.

It is difficult to answer the question, may I say to the gentleman from Michigan, for this reason, that it has always been my understanding that the conferees held what might be termed executive sessions, and there was a very good reason for not disclosing what was said in conference. The newspaper reporters get a rumor, they enlarge on it, and if that practice continues then there is disagreement between the two Houses and there is misunderstanding.

But apparently that rule does not apply in this case, because the press quotes one of the conferees from the other body as saying in a public statement that one of the House conferees, the gentleman from Massachusetts [Mr. McCORMACK], on the radio last Sunday said that "the Senate proposal means no reorganization bill at all." So I do not know whether that opens the gates to everyone to say what he thinks has happened.

I do not care to say what happened in conference. But, I am, I think, justified in making reply to the gentleman from Massachusetts who stated that the House conferees had gone a long way in an effort to agree—and two of them sit here, the gentleman from Illinois the chairman of our committee [Mr. Dawson] and the gentleman from California the chairman of the subcommittee [Mr. HOLIFIELD], and while we all have different understandings—I do not know what theirs may be; I know what the gentleman from Massachusetts stated—my understanding as one of the conferees is that the House has not given one-millionth part of an inch on its proposal. So I cannot accept the statement of the gentleman from Massachusetts that the House conferees had yielded 80 percent.

My understanding also is that while Mr. Hoover in his report recommended the acceptance of the plan unless both Houses vetoed it, or some similar proposition—that is, he was in favor of the House method of vetoing—since that time, and I get it from reliable authority, from responsible individuals, both Mr. Hoover and President Truman are now willing to accept the Senate provision as to when and how a reorganization plan becomes effective.

Mr. FORD. In other words, we cannot have any real reorganization until the enabling legislation is passed?

Mr. HOFFMAN of Michigan. You cannot get the Hoover plan of reorganization until the enabling legislation is approved. The gentleman is correct in that conclusion. Why that bill has not

come down, why it has not been reported back, is for the majority side to explain to the people.

As the gentleman from Indiana [Mr. HALLECK] stated, and it was a pertinent statement, the people want reorganization so that they may have economy and efficiency. The Democratic Party has a clear majority in each House and that party is responsible for the failure to act.

According to the majority opinion of the House, the Congress lacks either the inclination or the courage, and has lacked it over the years, to make the proper reorganization to give us those two things, economy and efficiency.

On the table there is a document, a copy of which every Member of the House received from the Library, of 400 and some odd pages, giving us the history of reorganization plans from 1912 right down to the present time. It shows that all those plans have failed because of opposition in and from the departments.

Former President Hoover and President Truman are today, according to the information I have received from these reliable gentlemen who are in personal touch with them, willing to accept the Senate's method of the proposed plans becoming legislation, and the House conferees have not so far agreed to that. I am correct in that.

All this talk about three-fifths and two-thirds and three-fourths of each or either House voting to approve or disapprove is just water over the dam, for the reason that every informed Member of this House and the other body knows that you will never get out of that other body any bill which permits the President to enact or create legislation without the consent of that body or of this. You might just as well hang up your hat and go home if you have any other idea on that subject. So I cannot see why the Members of the House do not agree to accept that Senate bill; that is, if they want reorganization and economy.

One other thing. The House bill made certain exemptions. The Hoover Commission and Mr. Hoover do not want any exemptions. The Senate bill is a clean bill. It is the kind of bill that the former Executive and the President now want, a clean bill without exemptions. Why do we not give it to them, I do not know. You will have to ask someone who is objecting.

I know this, that Mr. Hoover warned the public, and he warned the Congress time and time again, that the proposals set forth in their reports would meet with the opposition of the departments, and we had it right at the very beginning of the session.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. KEEFE. Many Members who are on the floor would like to have it specifically stated in connection with your remarks the exact difference between the House and Senate conferees as to the basic reorganization plan, which has caused the impasse in the conference.

Mr. HOFFMAN of Michigan. If I had before me the committee print, I could explain those in detail. But here are the

principal ones. The House bill gives the President authority to create a department.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. I yield myself five additional minutes, Mr. Chairman.

The President sent up word to the House and also to the Senate that he does not want that power. By the way, that is power that is given to the Congress by the Constitution. He does not want the power to create a department. I do not know why that should be put in if he does not want it. But that does not raise any serious objection.

Then the House bill also requires that plans to reorganize seven agencies be sent up in what we call a separate package. That was the method that was finally agreed upon by the gentleman from Georgia, [Mr. VINSON], of the Armed Services Committee. That is not making any very serious trouble. The Senate left that out.

The bone of contention, the rock on which we split, is this method of how the plan becomes law. The House bill, as you will remember, provided for a two-House veto. The Senate bill provides that the legislation can be vetoed by one House. Personally, I did not think any plan should become law, under article I, section 1 and section 7 of the Constitution, unless the House affirmatively approved of the plan. A gentleman from the other body was at the other extreme, but we said, "All right. Let us go along. Let one House do it." That seemed to be the opinion of the overwhelming majority in number of the conferees; but you will recall that the conferees act as a unit. So when three Members of one body do not approve, then we are split.

It is a matter of common knowledge that the Senate being made up as it is, there is no prospect of ever getting through that body a reorganization bill unless they retain authority to veto a plan or the appointment of the head of a department. I have heard that they are willing to accept a bill which permits a plan to become the law of the land unless both Houses by a simple majority veto it, or unless one House by a constitutional majority vetoes it. But apparently that compromise has not been accepted. Evidently that is the thing that splits us. The gentleman from Massachusetts [Mr. McCORMACK] said over the radio the Senate proposal means no reorganization bill. I do not agree with him. I cannot go along with those who seem to believe that we are so lacking in intelligence and knowledge that we would not permit a plan that was sound to become the law of the land. I cannot subscribe to my own ignorance.

Mr. KEEFE. Mr. Chairman, will the gentleman yield further?

Mr. HOFFMAN of Michigan. I yield.

Mr. KEEFE. In further amplification of your answer to the question asked by the gentleman from Michigan [Mr. FORD], I have received hundreds of letters from people all over the State of Wisconsin and many other places, who are demanding that the Hoover Commis-

sion reports be implemented by legislation. It is true, is it not, that unless the basic law is passed, the bill which is now the subject of conference between the other body and the House, we will be confronted from time to time with these piecemeal attempts.

Mr. HOFFMAN of Michigan. All the time.

Mr. KEEFE. All the time, going on forever and a day, and we shall ultimately find that these piecemeal attempts will be bills that have been written down in the departments; and instead of reorganization being an implementation of the over-all Hoover Commission findings and report, it will be just the bills that are being sent up here from time to time, taking pieces out here and there, and prepared in the departments to carry it out as they wish, as I believe the gentleman has already indicated in his remarks.

Mr. HOFFMAN of Michigan. The gentleman has expressed it far better than I could have. These bills will come up from the departments as the bill which the gentleman holds in his hand which is before us today, came up, as the bill creating the General Welfare Department, came up, giving us neither efficiency, nor economy, nor giving us the kind of reorganization of these departments which should be reorganized which we should have, to which the people are entitled.

The departments are not economical, they are not efficient; they do not want to be reorganized, and we will not get what the people want unless that reorganization bill comes out of conference.

DEPARTMENTS AND POLITICIANS STILL SUCCESSFULLY BLOCKING ECONOMY AND EFFICIENCY IN THE EXECUTIVE DEPARTMENTS

With a national debt of more than \$250,000,000,000, carrying an annual interest charge of \$5,000,000,000; with this administration, as of May 23, having spent, during the 1949 fiscal year, \$1,274,000,000 more than it received, and with an operating deficit of \$11,000,000,000 in sight by July 1, 1951, and an ever-increasing Federal pay roll, it is not surprising that faced by increasing unemployment and falling prices, hard-headed citizens are now demanding—not requesting—that the Congress do the house cleaning which has been overdue since December 9, 1932, when Herbert Hoover, then President of the United States, sent to the Congress Executive orders—the forerunner of executive reorganization plans—designed to regroup 58 executive agencies.

It was on January 19, 1933, that the Democratic House, there being then a Republican Senate, by House Resolution 334, disapproved of the Executive order and defeated a motion to recommit by a vote of 202 nays to 176 yeas. Those Executive orders of President Hoover, had they then been legalized, would have given us at least some economy, some additional efficiency in the executive departments. They would have paved the way for later, more far-reaching reforms. That attempt, so courageously made, to inject some order, some saving into the executive departments, was defeated by the bureaucrats and the politicians.

Then for the past 16 years, a free-spending Democratic administration followed policies which gave us more waste, less efficiency, in government.

The country was saved from a disastrous depression, not by New Deal wisdom, but by World War II, which created an era of false prosperity.

It is now apparent to every thinking person that, unless there is retrenchment in both private, municipal, and national affairs, the country will be forced to go through another severe depression, carrying unemployment, overwhelming financial losses, and perhaps acute suffering to millions of our citizens.

And, as unscrupulous politicians sometimes win because of unrest, discontent, and suffering of the masses, unless the crushing burden imposed by the Federal Government is lifted, our people may turn to some free-promising office seeker who, if given power, will become a dictator.

Foreseeing the coming inevitable and ruinous results of the New Deal policies, the Eightieth Congress created the Hoover Commission. That Commission, after expending some \$2,000,000, at the end of an 18 months' investigation, turned in a report. If substantially followed, the report will not only demonstrate that the money was well spent, the studies helpful, but will give us a reorganization in the executive departments which will save billions of dollars and create a degree of efficiency long absent from Federal affairs.

Citizens may wonder as to why, if Federal expenditures were so excessive, inefficiency so prevalent, their Representatives in Congress did not long ago apply a remedy. To those familiar with Washington the answer is simple.

Taxpayers who elect Congressmen and Senators have fallen into the habit of asking ever-increasing aid from the Federal Government, always overlooking the fact that they are the sole source of Federal funds; that always the Federal Government, or, for that matter, every other government, has a service-, a carrying-, charge against every dollar collected from the taxpayer, and later in part given back to him.

To make available the new services demanded by the taxpayers, new departments, new agencies, have been created. Once created, an agency or a department always seeks to expand itself, always asks the Congress for more power and additional funds. The result is a top-heavy, expensive, cumbersome, almost limitless Federal structure here in Washington and throughout the country.

Its recent rate of growth, if continued, would shortly have on the Federal pay roll more than half of the wage-earning population.

It was to aid in remedying this intolerable and extremely dangerous situation that the Hoover Commission was created.

The people are all for the announced objectives—economy and efficiency. Unfortunately, they do not understand the present situation. They assume that all that is needed is for the Senate and the House to assemble some fair day in their respective Chambers and adopt the re-

port of the Hoover Commission. It is not that simple.

Presidents, to a limited extent, have always had the power to cut down expenditures in Federal departments. The Congress has always had, and now has, the power to, by curtailing appropriations, limit Federal expenditures.

But neither the President nor the Congress to date has at any time possessed the inclination and the courage to do a worth-while job.

Every time the President or the Congress has sought to limit the activities of an agency or a department, the agencies and the departments, with the bureaucrats at their heads, have succeeded in, to a large extent, blocking the proposed remedial changes.

Some of the bureaucrats are canny and unscrupulous and the moment their authority is questioned or threatened, or their funds menaced, they put the "heat" on the people's representatives. Let me give you just one illustration:

Not long ago, the Congress attempted to cut the appropriation for one or two departments. Straightaway, the employees, for example, in the Post Office Department, directed by Washington, out in the home districts of the Senators and the Congressmen curtailed their services and, when the taxpayer wanted to know why his mail did not come through on time or why the service was not as good as formerly, he was promptly told that it was the fault of his Congressman, who had cut off the funds.

When the amount requested was denied another department, it pulled in its customs inspectors and those who enforced the law on the borders.

The activities in those two departments were curtailed out in the country when the desired economies could have been brought about by discharging here in Washington and in other cities unneeded surplus employees who were not earning the money paid them.

To state the case briefly and accurately, every time the Congress has attempted to give to the taxpayers what they now insist they are going to have, that is, Federal expenditures brought within the range of Federal income and Federal employees earning the money paid them, the Congress has yielded to the pressure of their constituents, whose usual service was needlessly curtailed or taken from them and who, in turn, had been propagandized by the bureaucrats.

So, in desperation, lacking either the inclination or the courage—and this is matter of common knowledge and freely admitted—to pass the necessary legislation and see that it is carried out, it is argued that the Congress should turn this disagreeable job of reorganization, of effecting needed economies, over to a President.

Personally, I would prefer that Congress do its own house cleaning, but that seemingly being impossible of accomplishment, I have no objection to letting the President do the job, for it is in his house—the executive department—that the disinfecting, the renovating, and the redecorating is to be done.

The Hoover Commission has filed its reports. What is delaying the job?

Here and briefly is the situation as it exists today, Wednesday, June 8, 1949:

To enable the President to do the disagreeable but necessary job which the Congress declines to do for him, certain legislation, known as a reorganization bill, is proposed.

Under the Constitution, the Congress, and only the Congress, is given the authority to make the law, although the President is charged with the duty of giving to the Congress a message on the state of the Union and he has the authority to make recommendations to the Congress.

But to lay this squalling, disagreeable, and extravagant baby squarely on the President's doorstep, something more was needed. So the House, passing the buck to the President, on February 7, 1949, passed the Reorganization Act of 1949. It imposed certain duties upon the President in the language which follows:

SEC. 2. (a) The President shall examine and from time to time reexamine the organization of all agencies of the Government and shall determine what changes therein are necessary to accomplish the following purposes:

(1) to promote the better execution of the laws, the more effective management of the executive branch of the Government and of its agencies and functions, and the expeditious administration of the public business;

(2) to reduce expenditures and promote economy, to the fullest extent consistent with the efficient operation of the Government;

(3) to increase the efficiency of the operations of the Government to the fullest extent practicable;

(4) to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes;

(5) to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions thereof as may not be necessary for the efficient conduct of the Government; and

(6) to eliminate overlapping and duplication of effort.

(b) The Congress declares that the public interest demands the carrying out of the purposes specified in subsection (a) and that such purposes may be accomplished in great measure by proceeding under the provisions of this act, and can be accomplished more speedily thereby than by the enactment of specific legislation.

It then directed that, after investigation, if the President found certain laws to be necessary, he should, under certain limitations, send a reorganization plan to the Congress.

It was assumed that such a plan would save the people money and give them greater efficiency in the executive departments of the Government.

Permit me to repeat a part of what I said in answer to the gentleman from Wisconsin [Mr. KEEFE].

The House bill further provided that the plan so sent up by the President should become the law of the land unless both Houses, within 60 legislative days, passed a concurrent resolution stating in substance that the Congress did not favor the reorganization plan then under consideration.

The Senate, on May 16, 1949, passed a somewhat similar bill, withholding, however, from the President the power to create or transfer an executive department—that being a power which the President does not want and which, under the Constitution, belongs exclusively to the Congress—and providing that the plan should not become a law if either the Senate or the House adopted a resolution stating that it did not favor the proposed plan.

There were certain other minor but relatively unimportant differences in the two bills.

Following the usual course, conferees from the Senate were appointed on May 16 and from the House on May 17, 1949, to consider and, if possible, reconcile the differences between the two bills.

The reason that the will of the people is being thwarted, that their demand that the Congress proceed to cut out much of the waste, the needless and exorbitant spending and the gross inefficiency and overemployment now existing in the executive departments of the Federal Government, is the failure of the conferees to reconcile the difference existing between the Senate and the House as to the method of vetoing a proposed reorganization plan submitted by the President.

Everyone is entitled to his opinion as to the reason for this failure to agree as to the circumstances under which a proposed plan submitted by the President shall become law. I can only give my own opinion, based not upon what I have learned as one of the conferees, but upon what I gather from the press and from the talk I hear, from what I see in the House, in the House lobbies, the House restaurant, and the corridors of the Capitol.

Let us be frank. It is my understanding that the President and Mr. Hoover are both willing to accept as a compromise the Senate provision that any plan sent down by the President shall become the law of the land unless it is, within 60 legislative days, vetoed by either House.

Why, then, is there not agreement? Why, then, is a reorganization bill not passed now, instead of at some later date?

In my humble opinion, the opposition comes not from the President—at least, not directly—but from the departments which, in years gone by, have always been able to block any reorganization plan which would curtail their activities.

That opinion just expressed is based not only upon my understanding that the President and Mr. Hoover are willing to accept this provision of the Senate bill, but upon the fact—and it is a fact—that departments have anticipated the Hoover report and have sent to the Congress plans of their own—plans devised to serve their own interests, to increase their power, and enable them to demand greater appropriations from the Congress.

Permit me to cite one instance. On January 5, 1949, there was sent to the Congress a bill to constitute the Federal Security Agency a Department of Welfare. The purpose of that bill was to

blow up an agency into a department. It was the brain child of the Federal Security Agency, headed by Mr. Ewing, who is a shameless propagandist for socialized medicine and compulsory health insurance.

Instead of waiting for President Truman to send down a plan which would give the people a little economy, a little efficiency, Mr. Ewing jumps the gun and his legal department sends up a bill which would make his agency a separate executive department and which would have promoted him, for the time being, from head of an agency to secretary of a department and a Cabinet post.

Mr. Ewing made no excuses for his propagandizing in behalf of the agency he heads; in fact, he seemed to insist that it was his right to act as a special advocate of all the schemes and plans he had in mind.

This bill, H. R. 782, sent up by Mr. Ewing's legal department, was reported to the House, with amendments, from the House Committee on Expenditures in the Executive Departments, on the 15th day of February 1949 and is now pending, as No. 32, on the Union Calendar.

At least one other bill has been given consideration by the House Committee on Expenditures in the Executive Departments, and has been reported out, H. R. 4754, the bill which is now under consideration.

Now before the committee is H. R. 1844, introduced by the gentlewoman from Massachusetts [Mrs. ROGERS] on January 25, 1949, to establish a Department of Veterans' Affairs; also H. R. 2830, introduced by the gentleman from California [Mr. HOLIFIELD] on February 17, 1949, to provide for the payment by the United States of premiums on bonds of Government officers and employees.

On page 44 of the Hoover Commission's report on Budgeting and Accounting, we find this statement:

The problem it seems could be better solved by establishing a fidelity insurance fund in the Treasury to which accountable officers would be required to contribute.

And the Commission's Recommendation No. 13, on the same page, is as follows:

We further recommend that the Congress continue its study of the whole question of fidelity insurance for the accountable officers of the Government in order to arrive at a simpler and less expensive procedure.

Mr. Hoover anticipated this opposition of the departments and agencies, warned the people and the Congress against it, and frequently has advised that there will be no worth-while reorganization unless the people insist that the Congress act, and that without delay.

There is ample evidence that the bureaucrats and the politicians have their heads together and that they are making a stand, effectual as of the moment, to block the adoption of the Hoover Commission's recommendations.

It is my understanding that the President has on his desk a series of plans designed to save the taxpayers' money, to give them greater efficiency in the executive departments.

It is my understanding that those plans are ready to be sent down to the Congress immediately upon the passage of the reorganization bill.

It is my understanding that the only thing which is holding up the passage of that bill is the failure of the conferees to compromise on the method by which a plan submitted to the Congress shall become the law.

Under the Senate bill—and I make no comment as to whether a compromise has been offered by the Senate conferees—this Congress can get a reorganization bill; it can get the plans, now on the President's desk, and, if the Congress stays in session the first few days in August, those plans can and will become the law of the land, and the people will have an opportunity to learn through experience whether the reorganization law and the plans proposed by the President will give them the long-desired economy and efficiency in the executive departments.

To date, the departments and the politicians have blocked the adoption of the reorganization bill; prevented the submission of the President's recommendations outlined in the Hoover Commission's report; prevented legislation which would give us what the people are now demanding, which they intend to get—even if they have to defeat present Members of the Congress, elect others who will do their will—economy and efficiency in the executive departments of the Federal Government.

Let me repeat. We are not now getting legislation which would enable the President to send down his plans for economy and efficiency because, and only because, those in power do not choose to permit the enabling legislation to be enacted.

EXHIBIT A

MINORITY REPORT

The Federal Property Act of 1949, H. R. 2781, introduced by Mr. DAWSON, chairman of the House Committee on Expenditures in the Executive Departments, was substantially the same as a similar bill which received favorable consideration by the Senate Expenditures Committee of the Eightieth Congress.

A subcommittee of the House Committee on Expenditures in the Executive Departments of the Eighty-first Congress, composed of four Democrats and two Republicans, held hearings on this bill and reported it favorably to the full committee, which, after adding certain amendments, reported it out favorably on the 13th day of May.

Introduced on May 18, 1949, H. R. 4754, which is now before the House for consideration, as a bill to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and is cited as "Federal Property and Administrative Services Act of 1949," is a clean bill, purporting to carry the amendments agreed to by the full committee.

Prior to the introduction of H. R. 2781, the chairman of the committee had introduced H. R. 2641, which was a bill embodying the recommendations of the Hoover Commission on the subject of Federal supply and related activities. No hearings were held on either this bill or several other somewhat similar bills.

The original bill, H. R. 2781, transferred the Bureau of Federal Supply, the functions of the Director of Contract Settlement, and

the affairs of the War Assets Administrator to the Federal Works Agency and endowed the Federal Works Administrator with certain duties and authority over the procurement, warehousing, utilization, surveying, and disposal of Government property.

H. R. 2781, as presented to the full committee, created a new agency to be known as the General Services Administration and transferred to it all the functions of Federal Works Agency and all the other duties and functions which the original bill would have placed in the Federal Works Agency.

It was said this change in name was made in order to bring the bill into line with the recommendations of the Hoover Commission on the subject of general services and supply activities.

Obviously the recommendations of the Hoover Commission contemplate a great deal more than a mere change in the name of an existing agency and clothing it with additional duties and authority.

That the subcommittee apparently held hearings and considered only H. R. 2781, which was written prior to the release of the Hoover Commission reports, is evidenced by the fact that in a number of respects to which reference is hereinafter made, H. R. 4754, does not follow the Hoover Commission recommendations.

Because of this situation, it is urged that the membership of the House give more than the usual consideration of this bill.

SIZE AND LOCATION OF NEW AGENCY

If H. R. 4754 in its present form is enacted into law the new agency which it creates—the General Services Administration—will be one of the largest independent agencies of our Government. The number of its employees was given as 60,000.

In its Report on General Management of the Executive Branch, Office of General Services (p. 28), the Hoover Commission said:

"In the direction and supervision of the operations of the executive branch, the President needs an organization which will include some of the agencies that serve all the departments."

In its Report on the Office of General Services and Supply Activities (p. 1), the Commission stated further that these major internal activities of the Federal Government, namely, supply, records management, and the operation and maintenance of public buildings, now suffer from the lack of central direction.

Recommendations Nos. 1 and 3 of this unanimous report of the Hoover Commission on the Office of General Services and Supply Activities are as follows:

"No. 1. The Commission recommends that responsibility for these three internal service operations should be placed in an Office of General Services under a director appointed by the President.

"No. 3. The Commission recommends that the following functions, each under a director, shall be placed in the Office of General Services:

"(a) Supply.

"(b) Records management.

"(c) Operation and maintenance of public buildings.

"(d) Certain relations with the Smithsonian Institution, the National Parks and Planning Commission, the National Capital Housing Authority, the Commission of Fine Arts, and the District of Columbia."

It is clear from these recommendations and a reading of the report from which they were taken that the Commission intended that the proposed Office of General Services be comparatively small and that its functions be limited to those named, if it were to be effective.

Although the Commission's report on the Office of General Services emphasizes the close relationship between this Office and

the President in the matter of authority and responsibility, the Commission did not state where, in the executive branch structure, this Office should be located.

The Hoover Commission task force on the Federal supply system said in its report (appendix B, p. 25):

"To discharge these responsibilities effectively, the Central Supply Organization should be part of the Executive Office of the President. Such location is deemed necessary to give the organization the prestige and authority required to command respect for and compliance with its policies, rules, and regulations among the other agencies of the Government."

This bill places the new agency under the direction of the President, but it does not put it in the Executive Office, as the Commission recommended, nor apparently would it be on a level with the Bureau of the Budget.

The only two members of the Hoover Commission, Commissioners Brown and Manasco, who appeared before the committee, testified that they were in favor of the Office of General Services being in the Executive Office of the President.

At least one other witness, a representative of the Department of Agriculture, testified (pp. 64 to 69, inclusive, of the hearings) in favor of the Office of General Services being in the Executive Office of the President and on a par with the Bureau of the Budget.

Part of the testimony of Commissioner Manasco on this point is as follows:

"For that reason I think that it is most important that this agency be set up in the Office of the President.

"Now, the argument will probably be made that all of the executive agencies are directly under the President. That is true. He is charged with a responsibility. But you have so many responsibilities placed upon the Administrator in this bill: For instance, the surveying of departments to find out if they have any property excess to their own needs. Now if the responsible administrator goes into an executive department and starts making surveys the one involved might pick up the telephone and call the White House and say, 'Get this fellow out of our hair,' and they will kick him out; in all probability he would be kicked out. But if that responsibility were coming from an agency on the level with the Bureau of the Budget, although that agency or bureau would like to see him kicked out, there would be very few people who would be courageous enough to go to the President and ask him to get him out; I know that while they hate it, nevertheless, they fear the Bureau of the Budget; that is, the executive agencies.

"And in order to make the organization effective it is going to have to have the same level of authority that the Bureau of the Budget has."

It is understood that Jess Larson, the present Federal Works Administrator, who under the terms of H. R. 2781, would have been the new Administrator of General Services, expressed the opinion that it would be desirable for this office to be in the Executive Office of the President, but that if the office is to be as large as this bill would make it, placing it there might not be practical.

This bill places in the Office of General Services a number of functions and activities which the Hoover Commission recommended be placed under other Government departments or agencies.

It is thought that confining the functions of this office to those recommended by the Hoover Commission and locating the Office of General Services in the Executive Office of the President, offers the best opportunity for an efficient conduct of these housekeeping services, and a realization of the purposes of the Hoover Commission.

Throughout the hearings on H. R. 2781, it was generally admitted that the accomplishments of the Bureau of Federal Supply under the Treasury Department were inadequate.

Under this bill, the supply functions of our Government will be submerged in the new agency among numerous other unrelated functions and therefore no great improvement or savings can be guaranteed.

H. R. 4754 IS CONTRARY TO CERTAIN SPECIFIC RECOMMENDATIONS OF THE HOOVER COMMISSION

Section 103 (a), in addition to transferring the Public Buildings Administration from the Federal Works Agency, also transfers to the General Services Administration the functions of Public Buildings Construction, Community Services, the Public Roads Administration, and all other functions of the Federal Works Agency.

Recommendation No. 4 of the Hoover Commission in its report on the Department of the Interior (pp. 8, 9, and 10) is as follows:

"We recommend that the following agencies related to the major purposes of the Department be transferred to it:

* * * * *

"(b) Public Buildings Construction from the Federal Works Agency.

"(c) Community Services from the Federal Works Agency."

Recommendation No. 7 of the Hoover Commission in its report on the Department of Commerce (p. 21) is as follows:

"The Public Roads Administration should be transferred from the Federal Works Agency to the Department (meaning Commerce Department)."

The majority report of the committee fails to disclose any reason for ignoring in the provisions of this bill the Hoover Commission recommendation that Public Buildings Construction and Community Facilities be transferred to the Department of the Interior.

The majority report does excuse the transfer of the Bureau of Public Roads to the new agency rather than to the Department of Commerce as recommended by the Hoover Commission with the statement that the committee has withheld action on such transfer until some determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce, and on the proposed consolidation of transportation agencies.

As excuses go, this one is in the "A hope and a prayer" category. The people demand prompt action and now is the time to avail ourselves of the advice of that body, and insofar as we can, follow its recommendations. We are either for the recommendations of the Hoover Commission or we are against them.

Section 205 (b) of H. R. 4754, among other things, provides that the Comptroller General shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards.

This provision which grants additional administrative or executive authority to the Comptroller General is directly contrary to recommendation No. 10 of the Hoover Commission in its Report on Budgeting and Accounting (p. 39). That recommendation is as follows:

"Therefore, the Commission recommends that—

"(a) An Accountant General be established under the Secretary of the Treasury

with authority to prescribe general accounting methods and enforce accounting procedures. These methods and procedures should be subject to the approval of the Comptroller General within the powers now conferred upon him by the Congress."

The Commission's report states further (pp. 39 and 41) that—

"Our recommendation would create a single officer in the Treasury Department with authority to prescribe a single system of fiscal accounts and to represent the executive branch in working out an administrative accounting system with the Comptroller General. The Accountant General would further supervise all departmental accounting activities throughout the executive branch and assist departments in performing their accounting duties.

"We believe there is no inherent conflict between the present position of the Comptroller General and our recommendation to create the position of Accountant General."

In the task-force Report on the Federal Supply System (appendix B) (p. 9), we find this statement:

"It is hoped that the project on fiscal, budgeting, and accounting will recommend a clear-cut distinction between legislative and executive functions which would confine the Comptroller General's role to postaudit and to reports to Congress of his findings, with recommendations for further investigation or legislative remedies."

This particular provision extending the authority of the Comptroller General was not discussed in the hearings on H. R. 2781 in relation to the above-cited recommendation of the Hoover Commission. Its inclusion in this bill can only be interpreted as an attempt to anticipate the Hoover Commission's recommendations on the subject of budgeting and accounting.

OTHER INSTANCES IN WHICH THE HOOVER COMMISSION'S RECOMMENDATIONS ARE APPARENTLY IGNORED

Section 102 (b) of H. R. 4754 transfers the Office of Contract Settlement to the General Services Administration.

As pointed out, the Hoover Commission in its report on the Office of General Services and Supply Activities recommended that only certain functions be placed in the Office of General Services. This transfer was not recommended by the Hoover Commission.

The same is true of certain other functions which this bill transfers from the Federal Works Agency to the General Services Administration, that is, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the national industrial reserve, disaster relief, and the administration of certain functions of the water-pollution-control program.

RECOMMENDATIONS

Inasmuch as the Congress authorized the Hoover Commission to make the studies and report its conclusions, and as the people, generally, without too adequate a knowledge of what is in those reports, are demanding that the Congress make the recommendations contained therein effective, we should, if possible, perfect this bill on the floor.

The Hoover Commission spent almost \$2,000,000—spent it wisely—its reports are invaluable, but the job it undertook is but half completed.

The Hoover Commission told us of the changes that were needed, but it did not draft proposed legislation which would bring about the needed economy and efficiency.

The Hoover Commission, with the aid of experts, spent some 18 months in an effort to tell us what to do, where we should go, but it did not, because it was not a part of its job, tell us how to get there.

In the judgment of the writer of this report, the chairman of the subcommittee, Mr. Holifield, who has worked so earnestly and conscientiously on the proposed legislation,

should be given by the House ample funds to employ some of the experts who served with the Hoover Commission to assist in drafting the bills which are necessary to translate those recommendations into legislation.

Respectfully submitted.

CLARE E. HOFFMAN.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman—

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield to permit me to ask a question of the gentleman from Michigan [Mr. HOFFMAN]?

Mr. HARVEY. I will yield to the gentleman for a brief question.

Mr. CRAWFORD. If the situation develops which the gentleman from Michigan [Mr. HOFFMAN] has just outlined in response to the gentleman from Wisconsin [Mr. KEEFE] the departments themselves will be able to use the Hoover Commission report as a vehicle insofar as public opinion is concerned upon which to ride into the Congress and the minds of the people to get their piece-by-piece reorganization plans enacted into law.

Mr. HOFFMAN of Michigan. They have already slipped in. I spoke of the bill creating the Department of Welfare, which is still pending. Other bills will come in and they will use the Hoover Commission report as their own false front and the Congress will find itself just where other Congresses have been—with no worth-while legislation.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. NICHOLSON. Does this bill give the President authority to raise salaries or to set salaries? That is a right which has always been lodged in the legislative branch of Government.

Mr. HARVEY. There is one particular place in the bill dealing with that. If the gentleman will permit me I will touch upon it before I am through.

Mr. Chairman, the present bill we are considering, H. R. 4754, is the result of many weeks and months of arduous effort on the part of this subcommittee headed very ably by the gentleman from California [Mr. HOLIFIELD]. We have also had, I might say, the complete cooperation of the entire Committee on Executive Expenditures. I wish to pay my respects at this time to the chairman, the gentleman from Illinois [Mr. DAWSON].

This legislation, in my opinion, should be noncontroversial and receive bipartisan support. It has long been common knowledge that purchasing, storage, record-keeping, and other housekeeping functions of the executive branch of our Government are inefficient and much too costly. That this is true should not be charged in every instance to the agency that has been functioning, for it has been due also to ineffective legislation. As the executive branch of Government has continued to grow it has not been organized but has simply grown up Topsy-like. The phase receiving the attention of the Hoover Commission in this

particular bill is the first effort in attempting to effectuate the economies that are suggested by the report of the Hoover Commission. With reference to the question raised by the gentleman from South Dakota [Mr. CASE], about that provision of the bill, may I say that it does not set forth a salary for the Administrator or any of his lieutenants. So far as I am concerned, and I am speaking now as one member of the committee only, if an amendment is proposed fixing the salary of the Administrator, I would be willing to go along with the amendment, with the understanding, of course, that when we fix the salary of the Administrator other salaries will have to be stepped down in proportion. If we fix a ceiling for the department, the subdivisions thereof would have to have salaries scaled down accordingly.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Kansas.

Mr. REES. Does not the gentleman think we are going pretty far afield when we place in the hands of the President complete authority to fix salaries in the departments of our Government?

Mr. HARVEY. I may say to the gentleman that there is no disposition on the part of this committee to abdicate the responsibilities of Congress in this legislation.

Mr. REES. That is what we appear to be doing in this legislation.

Mr. HARVEY. That is right.

Mr. REES. Unless an amendment to the contrary is approved.

Mr. HARVEY. The gentleman is correct.

Mr. Chairman, I should also like to refer at this time to the gentleman from Ohio [Mr. BROWN], the daddy of the legislation establishing the Hoover Commission, also Mr. Manasco, former chairman of the committee and Member of Congress, both of whom contributed valuable evidence to our hearings. I want to mention the fact too that the gentleman from New York [Mr. RIEHLMAN], although not a member of the subcommittee, did contribute ably in his effort to bring out a good bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from New York.

Mr. KEATING. May I say a word about that phase of the matter? As I understand it, this measure is very similar, except perhaps weaker, than the measure introduced by our distinguished colleague from New York [Mr. RIEHLMAN], in the last Congress. He was really the pioneer in this movement to formulate a method of saving money and cutting out some personnel among these procurement agencies. I want to commend my neighbor from New York in that regard.

Mr. HARVEY. I thank the gentleman for his contribution. I want to reaffirm the statement the gentleman has made concerning the contribution of the gentleman from New York [Mr. RIEHLMAN].

We have had valuable aid and assistance from the various departments af-

fects. All of the departments in the executive branch had a right to appear if they cared to. The Bureau of the Budget was especially helpful.

Mr. Chairman, I wish to quote at this time from the task-force report submitted in February of this year, as follows:

One of the major weaknesses in Federal purchasing stems from the lack of any central body to coordinate Government purchasing activities.

We have witnessed in the period since the end of World War II great losses to the Federal Government in the disposal of surplus war material. This was largely occasioned because we had no adequate purchasing program and cataloging system. The report of the War Assets Administration was replete with instances where the Government was contracting to sell huge quantities of material that they did not actually have and in other instances found great quantities of material that were not even listed. This was a wasteful procedure, and was due largely to the fact that we did not have any adequate and unified cataloging system for purchasing.

While the provisions of this bill exempts the military specifically from the agencies that are bound to use the cataloging facilities of this agency, it does set up a procedure whereby we will have the civilian components using the same cataloging system that is presently being prepared by the War Munitions Board.

I have had a great deal of mail, as has been suggested here on the floor, concerning the need for economy by adopting the Hoover Commission reports.

Now, allow me to say this, that when the War Munitions Board went about setting up a uniform cataloging system, they said, in effect, to the Army and the Navy and other minor components of our Military Establishment—at that time we did not have the Air Force established—"Please go about getting a uniform cataloging system, because we did not have it during the war, and it was very wasteful and extravagant." When they went to work they found out that they had—how many would you guess?—12,000,000 items cataloged, and they said that "by 1952 we will be able to reduce this to 3,000,000 items." That is a reduction from 12,000,000 to 3,000,000, simply by eliminating duplication or near duplication in their buying procedure. Of this 3,000,000 approximately 2,500,000 items are used by the military and 1,500,000 items are used by civilians. The total makes 4,000,000. So, it means that at least 1,000,000 of those are common to both. This is, in essence, the gain that must come from a uniform cataloging system. It will not prevent the losses that we incurred following World War II or even during the war, but certainly we do not want that to happen again.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I will be happy to yield to the gentleman from New York.

Mr. WADSWORTH. I assume that the gentleman means in describing the situation that we find that in the armed services a single little item, which may

be purchased by one branch of the service, carries a certain descriptive number or title.

Mr. HARVEY. That is correct.

Mr. WADSWORTH. And exactly the same item published by another service carries an entirely different number or descriptive title.

Mr. HARVEY. That is right.

Mr. WADSWORTH. That results in the 13,000,000, not items, but 13,000,000 descriptive titles.

Mr. HARVEY. Catalog numbers, that is right. A great many times they were not identical but were so near identical that there was no reason why they should not have been.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask this kind of a practical question? Suppose the perpetual inventory records, which will have to be carried if you have the information, indicates that at San Francisco you have one keg of bolts 2 inches long and five-eighths inch in diameter, and you need 250 bolts of that description at San Diego, what is to be the practical situation?

Mr. HARVEY. As a matter of fact, in the event that you get your firm inventory to begin with—you will agree with me, I think, that that is essential—you get a firm inventory, you will find that the administrator of this new agency will have the power and ability to say to San Diego, "Now, San Francisco has 10 tons of these bolts and we will order the amount that you have requested transferred to you from there" rather than to go through an entirely different purchasing procedure for that particular item.

Another thing I would like to point out is that when you have contracts for acquisition of common use items, in most instances you develop a contract for an indeterminate amount of each of the particular items, and then you can simply put an O. K. upon this given department or subdivision request and it will be sent to them direct, if you do not have a supply in a nearby warehouse.

Mr. CRAWFORD. In other words, you will establish a working inventory at all basing points of items in common use?

Mr. HARVEY. That is right.

Mr. CRAWFORD. And thereby cutting down the inventory on parts and commodities which are used occasionally?

Mr. HARVEY. That is right.

Mr. CRAWFORD. By having them in reserve.

Mr. HARVEY. That is right. I would like to say to the gentleman, and he probably well knows, that during World War II there were many instances where the Army would be in dire need of a particular item and the Navy would have an ample supply of the same, but there was no way of knowing, since they did not have a uniform cataloging system, what the other component had.

The scope of this responsibility is very great. Testimony before our committee by military personnel revealed that it will require at least until 1952 and a

task force of almost 2,000 people to accomplish. Since most all of the items purchased by the military are used by the civilian branches of our Government it was thought best to allow the military to complete the task and then coordinate the activities of this Administration to it.

The problem of adequately providing for records management has only been slightly touched upon in this bill. We have transferred the National Archives Establishment to the General Services Administration with the thought in mind that this agency should be treated in later legislation so that it can adequately handle the records management problem. The hearings showed evidence that the keeping of Government records has become almost an oppressively expensive task that needs more realistic consideration. First of all many of the records are kept in what amounts to storage conditions, in scarce office facilities, when they could just as well be kept in storerooms or microfilmed. This particular type of legislation we feel should be treated in a subsequent bill, however.

The procurement procedure is designed to give a realistic approach to the problem. It was brought out in the hearings that our present purchasing policy, in many instances, was unduly expensive. In following the law on purchase of small items it was costing more to procure the articles than the article itself cost. It should not be regarded, however, in our attempt to streamline the procurement procedure that small business has been ignored. It is expressly written into the law in section 302, subsection B:

It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns.

There are escape clauses also in the law to provide for emergency purchases, when so declared by the President or the Congress. An example of this type of exception would be the recent break in the flood walls of the Mississippi in Louisiana. Obviously in such an emergency the necessity for advertising and bid-letting would not be in the public interest.

For different, but for very obvious reasons, certain agencies are excepted, such as the Atomic Energy Commission.

We have eliminated one of the causes of much friction, which has heretofore hampered the activities of the Bureau of Federal Supplies, which has been transferred from the Department of the Treasury to the new General Services Administration. This objection was the fee system that this agency was supposed to charge on a proportionate basis for services rendered. My own experience at the State level has proved that this is a wasteful and highly unsatisfactory procedure. In addition it is the cause of much friction between the procuring officials and the agencies served.

We have not attempted in this legislation to bring into the picture foreign property. The reason for this is that most of the work is accomplished by the Secretary of State and they have ade-

quate staff to care for this problem already.

In conclusion, may I say, that this is a constructive step in taking care of the long-needed program and while it does not carry out exactly the Hoover Commission recommendations, it does very closely approach them. There is nothing in this bill, should it become a law that will preclude the President from taking further steps, when the legislation is passed, granting him this authority.

We should all realize that achieving complete success in enacting the Hoover Commission recommendations into law will have to be accomplished in a series of steps. This bill, H. R. 4754, is the first big step and there is no reason to believe that succeeding ones will not eventually achieve the desired results.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. BROWN of Ohio. Let me congratulate the gentleman from Indiana not only on the statement he has made here but on the splendid work he has done in connection with this legislation. May I ask him whether in his opinion the enactment of this bill will not make it possible to save a great deal of money in the conduct of our procurement activities in the Federal Government?

Mr. HARVEY. I think undoubtedly it will. I want to say I think the prospect of having Mr. Larson, as the new Administrator, with the confidence and faith I have in his ability, will vastly improve the working powers of this legislation. I thank the gentleman from Ohio [Mr. Brown].

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. HORAN. It is my understanding that certain Europeans are coming here to study our methods of balancing the budget. In the light of the inefficiencies that we here discuss would it not be much more beneficial to them and to us if we enact some of the Hoover Commission suggestions if we are going to set an example to the whole world?

Mr. HARVEY. I will agree with the gentleman that example is the best teacher.

Mr. Chairman, I yield back the balance of my time.

Mr. HOLIFIELD. Mr. Chairman, I yield myself 2 minutes.

May I point out to the gentleman from New York [Mr. KEATING] that I inadvertently gave him the incorrect figure in answer to his question a few moments ago. In fairness to the gentleman and the committee, I want to correct that. The savings which I spoke of were \$2,500,000,000 in the reduction of the inventory, and it was not annual savings.

Mr. KEATING. I thank the gentleman for that correction. Does the gentleman have any figures with regard to the estimated saving by the enactment of this legislation?

Mr. HOLIFIELD. No. We asked the Bureau of the Budget representatives and the GAO. They could not give us an estimate as to the savings that might accrue. I want to point out that the

savings do not refer only to the elimination of personnel. In this act we seek to set up uniform standards of procurement methods, and standard specifications and a uniform Federal catalog, which we direct the executive agencies to use in their procurement and which we believe will effect savings which are not reflected strictly in personnel.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Ohio. If the gentleman will refer to the task force report, it will show a careful study of the procurement program indicates the adoption of these reforms as provided in this legislation, will permit huge savings, running into hundreds of millions of dollars, not only in procurement, but in the disbursement of Government supplies.

Mr. KEATING. That will only be done, I am sure the gentleman will agree, if the executive agencies carry out the provisions of this legislation sincerely and with a purpose and just do not use it as something that can be disregarded.

Mr. BROWN of Ohio. Of course all the Congress can do is to pass legislation. Congress cannot administer the laws. That is up to the executive branch.

Mr. HOLIFIELD. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I have asked for this time to call the attention of the full committee to a question with reference to certain bills which arose in the subcommittee on expenditures this morning, particularly on one bill (H. R. 2204) which has reference to the Coast Guard Auxiliary. The Coast Guard is mentioned in the bill (H. R. 4754), but the auxiliary of the Coast Guard is not authorized under law. Therefore, I ask whether any property transferred to the Coast Guard could be subtransferred, or could be utilized by the Coast Guard Auxiliary?

Mr. HOLIFIELD. In my opinion, that is within the purview of the administrator and under clearance from the head of the Coast Guard, that could be done by administrative action.

Mr. BONNER. The Coast Guard Auxiliary being supervised by the Coast Guard, this property would still remain in the jurisdiction of the Coast Guard, though it was being used by the auxiliary. Therefore, it would be proper for the administrator to transfer such property to the Coast Guard for use by the Coast Guard Auxiliary.

Mr. HOLIFIELD. That would be my judgment—and can be construed as the intent of this act—after all other agencies that are named have had their chance.

Mr. BONNER. The subcommittee was unanimously in favor of reporting out the bill (H. R. 2204) making the Coast Guard Auxiliary eligible to have transferred to it such surplus property as might be available.

Mr. HOLIFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I wish to compliment the excellent work that has been done by the chairman of

this subcommittee [Mr. HOLIFIELD]; also to compliment the nice cooperation we have received from the gentleman from Indiana [Mr. HARVEY], minority member on our subcommittee. They have put in long hours of work, and I think they have presented an excellent bill for this House to seriously consider and pass today.

I wish to answer some other questions that have arisen today. One is as to the size of this new agency that we are creating. The number of employees will be 32,850. As to the Federal works, I wish to give the size there, since several Members have asked for the number. There will be 22,734 employed under the Federal works, which in turn will be divided into Public Buildings Administration, with 18,934, which does have a large housekeeping function, and also the Public Roads Administration, with 3,269, which will probably be transferred.

As to the War Assets Administration, which is meeting its demise on the 30th of this month, it would carry over 7,000, being reduced 35,000 from its "heyday," and that is an excellent savings.

As to the Bureau of Federal Supply, 2,000; National Archives, 380; and a small number of 8 for the Office of Contract Settlement and Appeals Board.

One other thing, to clear up another question that has been asked. That is the question of how much will this work which we are doing here affect the overall picture. We have only one-sixth of the cost affected by civilians, in place of the five-sixths for the military, for the last war cost, and for the national indebtedness, and for other things of that nature. The present war scare also takes up \$16,000,000,000 of our cost.

Now let us turn to the technical questions involved in this bill.

Because of the importance of the framework of this act, I should like to dwell for a few moments on some of the more important features of title I. Here is recited the intent of Congress in enacting this legislation to provide for the Government an economical and efficient system for—

(a) The procurement and supply of personal property and nonpersonal services, including many related features, such as inspection, property identification and classification, establishment of inventory level and representation before Federal and State regulatory bodies;

(b) Utilization of available property;

(c) Disposal of surplus property;

(d) Records management.

It may be well to note, at this time, that excess property is defined as any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof. On the other hand, surplus property means any excess property not required for the needs and the discharge of responsibilities of any Federal agency, as determined by the Administrator.

Proceeding further, by force of this section, there is established in the executive branch of the Government an agency known as the General Services Administration. At the head of this Administration stands an Administrator of General Services, appointed by the President,

by and with the consent of the Senate, who will perform his functions subject to the direction and control of the President.

Into this new General Services Administration the Bureau of Federal Supply, now under the Department of the Treasury, is transferred, together with the contract-settlement functions also presently reposing in the Treasury. We see carried into effect here, also, a transfer of the affairs of the Federal Works Agency. The transfer for liquidation of the affairs of the War Assets Administration is also brought into this new agency.

Records management is a new field of study, long neglected, which receives its first recognition in this bill. As the first step in the dealing with records management this bill transfers the National Archives to the General Services Administration. This field will receive much study and closer scrutiny in the course of our continued interest in efficient and economical Government. In this, vast savings can be realized. The Commission on Organization, headed by former President Hoover, reflected the weight this study should receive, when it devoted a separate task force report to it. In this task force report, enabling legislation dealing with this subject matter was urged. By enactment of H. R. 4754 we have taken the first step for the accomplishment of this worthy object.

In summary let me repeat that the first job in management is to develop an effective organization. All closely related units should be brought together under strong administration. Title I of H. R. 4754 does just this by bringing the procurement, storage, issue, space, disposal and records agencies together to operate under a new charter.

We are going to make sure that the agencies know what they have, where it is located; that they protect what they own, buy only what they need and release excesses at the earliest possible date.

It is not necessary for me to go into a long discussion of this most worthy undertaking; as Members of this House, I am positive you can readily see the advantages of this long-overdue legislation. Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. RIEHLMAN].

(Mr. RIEHLMAN asked and was given permission to revise and extend his remarks.)

Mr. RIEHLMAN. Mr. Chairman, and members of the committee, although I am not a member of the subcommittee which considered this legislation, I have had a deep interest in this matter for the past 2 years, and I wish to speak briefly in support of the bill, H. R. 4754.

This bill would establish a General Services Administration into which it would transfer the Federal Works Agency, the Bureau of Federal Supply, War Assets Administration, the Office of Contract Settlement and the National Archives. The Administrator of General Services would preside over this new agency and, in addition, would be responsible for prescribing policies and

methods of procurement, supply, and property utilization.

While this bill is not as strong or as comprehensive as I desire, I am of the opinion that it is a step in the right direction and that it warrants nonpartisan support. Executive agencies concerned with procurement, property management, surplus disposal and governmental records would be uprooted and brought together into a single management unit or agency as the Hoover Commission recommended. Having accomplished this initial step, the Congress can strengthen the law and increase its scope from time to time as the need becomes more apparent. The distinguished chairman of our committee the gentleman from Illinois [Mr. DAWSON] and the gentleman from California [Mr. HOLIFIELD], who is the author of this legislation, as well as other members on the Expenditures Committee, are conscious of the possible weaknesses in the present bill. Therefore, they can be depended upon to keep in close touch with developments and recommend congressional action to strengthen the bill as the need becomes more immediate.

Within a short time after the new agency is established, amendments may, in my opinion, be necessary to correct a fundamental and important weakness. The bill would place responsibility on the proposed Administrator of General Services without clothing him with the authority necessary to assure satisfactory discharge of that responsibility. This weakness results from the committee's efforts to draft a bill which will be acceptable to the Bureau of the Budget, the General Accounting Office, and each of the various executive agencies. It is difficult to draft a bill which would be strong, comprehensive and also acceptable to these various agencies. The Bureau of the Budget, the General Accounting Office and each of the executive agencies jealously guard their respective jurisdiction, authority, responsibility, and prerogatives. As the price of withholding opposition, they have demanded numerous exceptions and qualifications which, I believe, weaken the authority of the Administrator.

The Administrator of General Services will have a big job before him, and in view of the lack of direct authority, we in Congress have a continuing responsibility to watch developments closely. As his need for greater authority becomes more immediate, we should step in and grant it to him. This responsibility is particularly great today in view of declining national income and governmental revenue. We must husband our financial strength by promoting efficiency and economy. Initiation of modern business management controls and techniques is a most important step in this direction. We in Congress should give the Administrator of General Services all the powers which he may need to enforce efficient management controls.

However, I am opposed to any major amendments at this present time. Many concessions have been made to obtain this initial step. Amendments should be postponed until the Administrator has

evaluated the situation and provided us with his recommendations. In the light of his experience, we can then correct any organizational errors and grant such additional powers as may be necessary.

The committee has done a fine job under the circumstances. The chairman of the subcommittee, the gentleman from California [Mr. HOLIFIELD] deserves particular credit for the tremendous amount of work that he has done and for the deep interest he has in this legislation. As the need for amendments becomes more immediate, I am sure that he will be among the first to bring that need to your attention. As a minority member, I wish in closing to thank him for the candid manner in which he has discussed this problem and for the interest he has shown in the bill which I introduced on this subject.

Mr. HOLIFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Chairman, my remarks will be in connection with titles II and III of H. R. 4754.

Mr. Chairman, title II of H. R. 4754 gives to the Administrator of General Services the responsibility to develop plans and policies which will lead to uniform procedures by the executive agencies in the whole field of property management. The purpose of this title is to make possible a situation in which the procedures of all executive agencies with regard to procurement, warehousing, property utilization, and disposal of surplus property will approach uniformity. In this field the Administrator will act to develop uniform policy or, when it is to the advantage of the Government in increased efficiency, economy, and so forth, will actually act as an operating agency in the field of procurement, servicing, or disposal. The Administrator is specifically charged with representing the executive agencies with respect to transportation and other public-utility services in negotiations with carriers, and so forth.

In this connection, because of the unique responsibilities of the National Military Establishment, the Secretary of Defense, subject to the will of the President, is authorized to exempt the Military Establishment from the policies of the General Services Administrator when it is in the best interest of national security.

It is to be noted that the Administrator, in formulating policies having to do with the disposal of surplus agricultural commodities, must consult with the Secretary of Agriculture. Further, such policies shall be so formulated as to prevent surplus agricultural commodities, and so forth, from being dumped on the market in a disorderly manner with a possible disruption of market prices. In the field of price support or stabilization, where the Secretary of Agriculture determines that he requires such for the carrying out of responsibilities, it is incumbent upon the Administrator to transfer, without charge to the Department of Agriculture, any surplus agricultural commodities—foods, cotton, or woolen goods—to be disposed of. Later, in the act, provision is made for the orderly

disposition of property not required for Federal use by donating it for educational purposes in the States, Territories, and possessions without cost.

In drafting this legislation the President was given the power to prescribe policies and directives which he may deem necessary to carry out the provisions thereunder. These policies and directives must govern the action of the Administrator and the executive agencies. This accomplishes for all intents and purposes the same objective that could be obtained by placing the General Services Administration in the Office of the President.

We might dwell for a moment on the provision which was recommended by the Comptroller General of the United States, Mr. Lindsay Warren. This would allow the latter, after surveying the executive agencies affected, to prescribe plans and standards of accounting for property. This would give the Comptroller General the lead in the development and approval of systems in conformity with accepted principles and standards. In addition, the Comptroller General would be obliged to report any noncompliance by the executive agencies to the Congress. Also, under this provision, the Comptroller General would have the right to account, review, and audit.

One of the most fundamental problems now confronting the executive agencies is the lack of a standardized Federal property catalog. Without such a standardized catalog, there can be no real efficiency in property management. At the present, the National Military Establishment, in cooperation with the Bureau of Federal Supply, is working to develop such a catalog for the items necessary to it. Section 206 deals with this problem and charges the Administrator with carrying on to a successful conclusion the present program which is based on a signed agreement of delimitation between the civilian and military.

TITLE III

In 1861, the Congress passed a law, now Revised Statute 3709, which provided the procedures under which competitive bidding should be secured by Government agencies.

The law, though adequate initially, has become the subject of innumerable decisions by responsible accounting officers and the experience of the agencies generally has been that administrative officers need more authority to meet unusual circumstances if they are now to redeem their vast responsibilities.

The Congress took cognizance of these facts and passed a law in the Eightieth Congress, first session, known as the Armed Services Procurement Act—Public Law 413. This act provides that competition in bidding, will, as a general rule be used but where special market, emergency, or service conditions prevail, the agencies named therein, that is, the military service, the Coast Guard, may procure upon a controlled basis of negotiation.

The world situation in 1947 was such that the Congress considered it advisable to enact this law without delay although it was recognized that other agencies, and particularly the Government's cen-

tral procurement agency, the Bureau of Federal Supply, should be equipped with as efficient tools as any other agency. However, since some of the provisions of the Armed Services Procurement Act were purely military and not applicable to the civilian agencies, a bill has been drafted to meet civilian requirements. This bill has been most carefully considered by the staff of the General Accounting Office, the Budget Bureau, and other interested staff and operating agencies and the substance is now incorporated as title III in this bill we are now considering. All agencies involved have endorsed this title as a sound step.

The title is in substantial agreement with the recommendations of the Hoover Commission except that full authority to negotiate contracts is not automatically extended to all civilian agencies. Some, obviously, do not need this authority. Therefore, this administration is given limited authority to permit the use by other civilian agencies which are able to show a real need to operate under its provisions.

It should be emphasized that the General Accounting Office will continue to make such audits as may be necessary.

I would like to point out that elsewhere in the act—section 201 (d)—section 3709, revised statutes, is amended by raising from \$100 to \$500 the ceiling for purchases or sales without advertising. Under title III, where centralized purchasing is involved, the ceiling for purchases without advertising is \$1,000, which is the ceiling so provided in the Armed Services Procurement Act of 1947. I believe that these higher ceilings for purchases without advertising should be of help in reducing the overhead costs of processing small purchase transactions. This again is in line with recommendations of the Hoover Commission.

It should be stressed that these changes in procurement procedure will not eliminate the use of competition but merely alter, in some cases, the manner in which it will be obtained. This title will permit the modernization and simplification of procurement methods and make for economy and efficiency.

A further word about this title.

Section 302 (b) makes specific provision that Congress intends that a fair proportion of the total purchases and contracts for supplies and services shall be placed with small-business concerns. Under existing competitive procedures, the consolidation of larger and larger quantities into one bid has had a tendency to create a monopolative situation whereby small suppliers could not compete for the business.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 1 minute to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, to those friends of mine of Vermont and other places who sent me that multitude of stereotyped and mimeographed letters asking me to support the recommendations of the Hoover Commission, may I say that in order that I may save myself some time, quite a little clerical assistance, and a lot of taxpayers' money, publicly and now, I shall support the recommendations, generally, of

the Hoover Commission, with some reservations—concerning which reservations I may say something later.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

(Mr. REES asked and was given permission to revise and extend his remarks.)

Mr. REES. Mr. Chairman, I, too, am among those Members of the House who are disappointed in the failure to secure legislation that would give opportunity to put into effect the recommendations of the Hoover Commission.

We have been in session more than 5 months and yet, up to date, we do not have legislation that will give opportunity to make these recommendations effective. I should add, however, that there are a good many proposals in the recommendations of the Commission that can be made effective without legislative action.

I call attention also to the fact that the administration now has the authority to carry out a good many of these proposals, but up to date, has not done so. Therefore, we are in the same position with respect to the Hoover program as we were at the beginning of the year. This is the first move to carry out any part of the program.

We have today a proposal that takes care of a small part of the Hoover recommendations. Of course, I shall support it, but if we are going to handle these recommendations by piecemeal legislation, it will take a long, long time.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from California.

Mr. HOLIFIELD. I have here an analysis of the Hoover Commission recommendations. There are approximately 200 recommendations. Seventy-five of them will require substantive legislation, and can be accomplished by the Congress through the type of measure we are considering today. About 51 of them will require administrative action or executive orders of the President, or appropriations by the Committee on Appropriations. Out of the 200 about 74 of the recommendations could be embodied in reorganization plans sent up to the Congress by the President. So that, I believe, should give the Congress an idea of the kind of recommendations which are involved in the stalemated reorganization act.

Mr. REES. I appreciate the gentleman's statement. I further call attention to the fact that more than 50 percent and perhaps 60 percent of the recommendations of this commission could be made effective by executive order and legislation would not be required. Perhaps my percentage is a little too high, but at least no legislative action would be required such as we are considering today.

Mr. HOLIFIELD. I believe the analysis of the Bureau of the Budget shows that 25 percent can be accomplished through executive order or by funds appropriated by the Committee on Appropriations.

Mr. REES. I appreciate the gentleman's statement with respect to those figures. I still think that a greater percentage could be put into effect by Executive order. In any event, I do not know of any action taken by the administration to make recommendations effective by Executive order.

Mr. Chairman, I am one of those who, for a long period of time, has tried to bring about a little more efficiency and economy in Government. I have tried by offering legislation to get rid of a lot of this duplication and multiplication of effort that has been going on in the Government for a long time. We have before us today one comparatively small segment of legislation dealing with that problem. I feel quite sure this legislation will go through without any serious objection. Of course, I shall support it. But, if we are going to have to proceed as the committee has outlined, by doing this piecemeal, it is going to take us all summer and then get only a part of it done. So I hope that this body as well as the other body will finally agree on legislation passed here long ago so that we can get to work on this in a real way.

When the bill is read for amendment, I intend to offer an amendment at pages 12 and 13 wherein it is provided in the bill that the President may fix the salaries of the three new employees. Under the bill he will have the authority to fix whatever salary he deems advisable, until legislative action is taken thereon. I am going to offer an amendment with which I hope the committee will agree, that these three new officials, and they probably will be the same officials we presently have, will receive salaries as follows: That the first one, the new one, should receive the salary of the present Federal Works Administrator; the second one, to receive the salary of the assistant to the Federal Works Administrator; and the third, the salary of the present director of the Bureau of Federal Supply. I trust the committee will accept the amendment, because after all you are only fixing it until legislative action is taken thereon. But the principle of permitting the President to fix the salaries, I think is wrong. That authority belongs to Congress and should remain there.

Here is what the bill says:

SALARIES OF OFFICERS

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services, the Commissioner of Federal Supply, the Commissioner of Public Buildings, the Archivist of the United States, and the Commissioner of Public Roads, and without regard to existing provisions of law governing such compensation, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield.

Mr. HOLIFIELD. I would like to point out that this is no precedent. The same language, practically, was contained in the National Security Act,

where the President was given the privilege of fixing the salary of the National Defense Secretary.

Mr. REES. But only until the Congress should pass on the question.

Mr. HOLIFIELD. That is right.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. HOFFMAN of Michigan. I yield myself 2 minutes to ask the gentleman a question, Mr. Chairman.

I understood the gentleman from California to say there were a number of recommendations of the Hoover Commission that would require the President to submit plans. How many were there?

Mr. HOLIFIELD. I hold in my hand an analysis of the Hoover Commission recommendations prepared by the Bureau of the Budget. I have made a quick computation of it. Seventy-four of the recommendations are marked to be achieved by reorganization plans and 75 by substantive legislation.

Mr. HOFFMAN of Michigan. Seventy-four to be brought about by plans sent down by the President?

Mr. HOLIFIELD. By reorganization plans.

Mr. HOFFMAN of Michigan. Has the gentleman any information as to how many of those plans are now ready in the Executive Office?

Mr. HOLIFIELD. I do not have that before me, but I may say that one plan might include many of the 74 recommendations; even as this bill has many of the Hoover Commission recommendations in it. So it would be of no value to the gentleman if I knew the number of the plans, because one plan might be large or small.

Mr. HOFFMAN of Michigan. But under the reorganization bill as passed by the House, those plans have to come down in one package.

Mr. HOLIFIELD. I believe there are seven agencies which have been given the so-called one-package treatment as contained in the House reorganization bill. Obviously it would take seven separate plans to take care of these agencies if the bill finally passes the Congress in that shape.

Mr. HOFFMAN of Michigan. As I understand, the President already has on his desk some of these plans—somewhere between seven and a dozen.

Mr. HOLIFIELD. But each one of those separate plans might take care of many of the recommendations of the Hoover Commission, because the recommendations are not numerically controlled by the plan submitted.

Mr. HOFFMAN of Michigan. I understand that, but is it not your understanding that the President is already prepared to send to the Congress several of these plans for the reorganization, carrying the Hoover recommendations?

Mr. HOLIFIELD. That is my understanding.

Mr. HOFFMAN of Michigan. And the only thing that is holding it up is this failure to pass the basic legislation, where the conferees have already been appointed.

Mr. HOLIFIELD. I will be glad to discuss with the gentleman at some other

time a matter which is not included in this legislation. I have my own views on that. I think nothing can be gained by continuing the dispute which has already occurred today with reference to something which is not contained in this legislation.

Mr. HOFFMAN of Michigan. I understand that, but I assume that the gentleman and the people generally are interested in getting these recommendations of the Hoover Commission enacted into law, and I cannot think of any reason that prevents those plans from coming down except the failure of the two Houses to enact some reorganization bill.

Mr. HOLIFIELD. Of course, the gentleman is exactly right. It is a matter of agreeing upon the terms of the conference report. The gentleman has been very good in his attendance at those meetings. The gentleman knows the issues, and I submit this is no particular place to debate the issue of an extraneous matter.

Mr. HOFFMAN of Michigan. I have attended every meeting of the conference and stayed as long as they were in session. I do not know how it is extraneous to discuss this issue now. It is the foundation upon which we are going to build if we have any reorganization worth while. It is all right with me, however, if you do not want to discuss it now. If you cannot agree among yourselves, I do not want to mix in your family quarrels. It is your responsibility.

Mr. HOLIFIELD. I know the gentleman has very strong views on the matter, and I appreciate them, too.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOLIFIELD. Mr. Chairman, I assume the gentleman has no further requests for time.

Mr. HOFFMAN of Michigan. I have not further requests.

Mr. HOLIFIELD. I yield myself 5 minutes, and I shall conclude in those 5 minutes and save the House that much time.

In the conclusion of these 2 hours of debate, I want to again express my appreciation for the help which I have received from each and every member of my subcommittee and from the full Committee on Expenditures in the Executive Departments, including the chairman.

Mr. BROWN of Ohio. Will the gentleman yield at that point?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. BROWN of Ohio. I wish to say for the benefit of the House that I know something of the tremendous task this subcommittee has taken upon its shoulders in connection with this entire reorganization program; it is a difficult work and it will be a long and tiring work, a work which cannot be accomplished in a day. I believe the subcommittee has started very, very well and I hope it will carry on to a final conclusion that will be satisfactory to all of us here and to the country in general. I wish to congratulate the chairman of the subcommittee and the members of the subcommittee

for the attention they are giving to this great task.

Mr. HOLIFIELD. I thank the gentleman from Ohio for those kind words. His testimony before the committee and his counsel were invaluable, as well as was the assistance of the former chairman of this committee, Mr. Carter Manasco, who is no longer a Member of the House but who has been ever present when we needed him to help us over some of the rough points of this legislation. This type of legislation is not an emotional or hysterical type; it is a long and arduous job to bring out this type of bill, and I know that the bill is a good one. I am sure that it will bring many savings, and I want to say to the House that since I have gotten into this subject it has become more and more interesting. I want to pledge to the House that my subcommittee is not going to forget this bill after it is once passed, but after the Administrator of General Services has had some operational experience we are going to review his function, and if additional legislation is necessary, or additional clarification—and I am sure it will be, particularly in the field of records management, and in the field of traffic management, those two fields particularly I feel will need additional legislation—we are going to come back to this floor with we hope just as good a bill as we have here, and we hope we receive the same fine, courteous cooperation from the membership that we have had today.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. WHITE of Idaho. I may say to the gentleman that at the conclusion of the First World War there was a very considerable supply of explosives left over. Those explosives were donated to the Public Health Service and sent by them to farmers throughout the country to help clear land. I remind the gentleman that after this war there was no such surplus of explosives turned over to the Bureau of Public Roads to be in turn placed in the hands of farmers needing them. I may say to the gentleman that it is my information that 12 shiploads of first-class explosives left Saipan headed for the coast and delivery at San Francisco, but when the boats arrived all those 12 cargoes had been jettisoned and thrown overboard.

Is there anything in this bill to protect a situation of that kind?

Mr. HOLIFIELD. The gentleman brings up a point which I wish he had called to our attention in the Committee when we were holding hearings.

Mr. WHITE of Idaho. The gentleman from Idaho has plenty of committees to attend, two, and sometimes three, meeting simultaneously.

Mr. HOLIFIELD. I recognize that the gentleman from Idaho is one of the busiest Members of the House and one of the most valuable Members of the House. I thank the gentleman for bringing this matter to my attention. We will take the matter under consideration and if possible arrive at a solution that will be satisfactory to the gentleman from Idaho.

Mr. WHITE of Idaho. That is a rather broad promise. Is there anything in the bill that will take care of such a situation?

Mr. HOLIFIELD. I regret to advise the gentleman that there is nothing directly written into the bill to transfer explosives to the farmers.

Mr. WHITE of Idaho. But there is control of surplus commodities. Some provision should be made to get them to the place where they will do the most good.

Mr. HOLIFIELD. Yes; that provision is in the bill and in the matter of surplus commodities the farmer can bid as well as any other person. If the explosives are declared surplus the farmers under this bill can come in and bid for the explosives.

Mr. WHITE of Idaho. The gentleman knows that the stuff that has been destroyed did not do anybody any good.

The CHAIRMAN. The time of the gentleman from California has expired, all time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

That this act may be cited as the "Federal Property and Administrative Services Act of 1949."

TABLE OF CONTENTS

Sec. 2. Declaration of policy.
Sec. 3. Definitions.

TITLE I—ORGANIZATION

Sec. 101. General Services Administration.
Sec. 102. Transfer of Bureau of Federal Supply and contract settlement functions.
Sec. 103. Transfer of affairs of the Federal Works Agency.
Sec. 104. Records management: Transfer of the National Archives
Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.
Sec. 106. Redistribution of functions.
Sec. 107. Transfer of funds.
Sec. 108. Status of transferred employees.
Sec. 109. Salaries of officers.

TITLE II—PROPERTY MANAGEMENT

Sec. 201. Procurement, warehousing, and related activities.
Sec. 202. Property utilization.
Sec. 203. Disposal of surplus property.
Sec. 204. Proceeds from transfer or disposition of property.
Sec. 205. Policies, regulations, and delegations.
Sec. 206. Surveys and standardization and cataloging.
Sec. 207. Applicability of antitrust laws.
Sec. 208. Employment of personnel.
Sec. 209. Civil remedies and penalties.
Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

Sec. 301. Declaration of purpose.
Sec. 302. Application and procurement methods.
Sec. 303. Advertising requirements.
Sec. 304. Requirements of negotiated contracts.
Sec. 305. Advance payments.
Sec. 306. Waiver of liquidated damages.
Sec. 307. Administrative determinations and delegations.
Sec. 308. Statutes continued in effect.
Sec. 309. Definitions.
Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

Sec. 401. Disposal of foreign excess property.
Sec. 402. Methods and terms of disposal.

Sec. 403. Proceeds; foreign currencies.
Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

Sec. 501. Applicability of existing procedures.
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public-utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

DEFINITIONS

SEC. 3. As used in this act—

(a) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government.

(c) The term "Administrator" means the Administrator of General Services provided for in title I hereof.

(d) The term "property" means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

(f) The term "foreign excess property" means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(g) The term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of any Federal agency, as determined by the Administrator.

(h) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

(i) The term "person" includes any corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "nonpersonal services" means such contractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term "contractor inventory" means (i) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (ii) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract).

tract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

TITLE I—ORGANIZATION

GENERAL SERVICES ADMINISTRATION

SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section the President may designate the Federal Works Administrator in office immediately prior to the taking effect of the provisions of this act to perform temporarily the functions of the Administrator of General Services; and such designee, while serving in this capacity under this subsection shall receive the compensation of the Administrator of General Services.

TRANSFER OF BUREAU OF FEDERAL SUPPLY

SEC. 102. (a) The Bureau of Federal Supply in the Department of the Treasury and its functions, records, property, personnel, obligations, and commitments, are hereby transferred from the Department of the Treasury to the General Services Administration, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V of this act. There shall be at the head of the Bureau of Federal Supply a Commissioner of Federal Supply, who shall be appointed by the Administrator. The functions of (1) the Director of the Bureau of Federal Supply, (2) the personnel of such Bureau, and (3) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan No. 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Agency as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate pri-

marily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within 10 days after the effective date of this act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) There are hereby transferred to the General Services Administration (1) the Public Buildings Administration, which shall hereafter be known as the Bureau of Public Buildings, and its functions, records, property, personnel, obligations, and commitments; (2) the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and its functions, records, property, personnel, obligations, and commitments; and (3) all other functions, records, property, personnel, obligations, and commitments of the Federal Works Agency; (4) all functions of the Federal Works Administrator and all functions of the Commissioner of Public Buildings and the Commissioner of Public Roads are hereby transferred to the Administrator of General Services.

(b) There are hereby abolished the Federal Works Agency, the office of Federal Works Administrator, and the office of Assistant Federal Works Administrator.

(c) Without regard to the provisions of section 103 (b), the President may continue, for such duration as he shall determine, as a constituent agency of the General Services Administration, the heretofore existing Bureau of Community Facilities of the Federal Works Agency.

RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except his functions under the act of July 7, 1943 (57 Stat. 380, as amended), which excepted functions shall be performed by the Archivist subject to the direction and control of the Administrator, and except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the act of July 26, 1935 (49 Stat. 501), which shall

hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion and from time to time, to regroup, transfer, and distribute any functions within the General Services Administration, in order to effectively accomplish such functions. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.

TRANSFER OF FUNDS

SEC. 107. All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this act.

SALARIES OF OFFICERS

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services, the Commissioner of Federal Supply, the Commissioner of Public Buildings, the Archivist of the United States, and the Commissioner of Public Roads, and without regard to existing provisions of law governing such compensation, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due

regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1); and

(4) with respect to transportation and other public-utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies; *Provided*, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items, and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

(d) Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), is hereby further amended by striking out the figures "\$100" wherever they appear and inserting in lieu thereof the figures "\$500."

(e) Section 2 of the act of February 27, 1929 (ch. 35d, 45 Stat. 1324), is hereby amended to read as follows: "Each executive department and independent establishment shall furnish from time to time, when called on to do so, estimates of its requirements for inclusion in purchases which it is proposed to have made by the Administrator of General Services, and there shall be reserved from proper appropriations sufficient amounts in each case to reimburse the general supply funds hereinafter created. The Administrator of General Services shall charge the estimated cost of supplies, and bill the same to each requisitioning department and independent establishment; and each such requisitioning department and establishment shall reimburse said general supply fund out of its appropriation upon proper vouchers. Other expenses such as, breakage, shrinkage, inspection, and handling by the General Services Administration shall be charged to funds appropriated to cover such expense."

PROPERTY UTILIZATION

SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to our Federal agencies, and (3) obtain excess property from other Federal agencies.

(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f) excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator, unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value, or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property with or without warranty, and upon such other terms and conditions as the Administrator deems

proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1949.

(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) The United States Maritime Commission shall dispose of surplus vessels of 1,500 gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936; as amended, and other laws authorizing the sale of such vessels.

(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable for educational purposes.

(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and uni-

versities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

(k) Subject to the disapproval of the Administrator within 30 days after the proposal of any action to be taken under this subsection—

(1) the Federal Security Administrator, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(2) the Federal Security Administrator, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(3) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(4) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces, is authorized and directed—

(A) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(B) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(C) to (i) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (ii) convey, quitclaim, or release any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall

deem necessary to protect or advance the interests of the United States.

(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer, or otherwise dispose of such property. Former owners of such property upon proper claim filed within 3 years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value thereof as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Where any mortgage, lien, or other interest as security is retained in connection with any disposition of surplus property under this title, the Administrator shall preserve and manage such security and may enforce and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

POLICIES, REGULATIONS, AND DELEGATIONS

SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this act, as he shall deem necessary to effectuate the provisions of this act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and as otherwise provided in this act) to any official in the General Services Administration or to the head of any other Federal agency.

(e) With respect to any function transferred to or vested in the General Services Agency or the Administrator by this act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned, or upon direction of the President.

(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has therefore carried out such function, to the executive agency so authorized and directed.

(g) The Administrator may establish advisory committees, to advise with him with respect to any function transferred to or vested in the Administrator by this act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

SURVEYS, STANDARDIZATION, AND CATALOGING

SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with

due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Agency and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

APPLICABILITY OF ANTITRUST LAWS

SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed 90 days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this act. As used in this section, the term "antitrust laws" include the act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the act of August 27, 1934 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compen-

sation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this act.

(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this act, the Administrator is hereby authorized to procure the temporary (not in excess of 1 year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

CIVIL REMEDIES AND PENALTIES

SEC. 209. (a) Where any property is transferred or disposed of in accordance with this act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this act, together with such recommendations for amendments to this act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this act.

TITLE III—PROCUREMENT PROCEDURE

DECLARATION OF PURPOSE

SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

APPLICATION AND PROCUREMENT METHODS

SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

(1) by the General Services Administration for the use of such agency or otherwise; and

(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection. The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least 15 days, wherever practicable, as determined by the agency head.

(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

(2) the public exigency will not admit of the delay incident to advertising;

(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Agency shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any university, college, or other educational institution;

(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning 6 months after the effective date of this title and at the end of each 6-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder.

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

(14) otherwise authorized by law.

(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids

may be rejected when the agency head determines that it is in the public interest so to do.

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 percent of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 percent of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 percent of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 percent of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

ADVANCE PAYMENTS

SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, upon the supplies contracted for, upon the credit balance in any

special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator of the General Services Administration or to the chief official of any principal constituent agency of the General Services Administration.

(c) Each determination or decision required by paragraphs (10); (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least 6 years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of 6 years following final payment on such contract.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said acts and of the act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term "agency head" shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal constituent agency of the General Services Administration.

(b) The term "supplies" shall mean all property except land, and shall include, by

way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description, aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5);

Revised Statutes, section 3735 (41 U. S. C. 13);

Sections 1 and 2 of the act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this act.

METHODS AND TERMS OF DISPOSAL

SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any agricultural commodity, food, or cotton or woolen goods be sold without a condition forbidding their importation into the United States, unless the Secretary of Agriculture determines that such property is in short supply in this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize

the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

PROCEEDS, FOREIGN CURRENCIES

SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title III: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) Each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

TITLE V—GENERAL PROVISIONS

APPLICABILITY OF EXISTING PROCEDURES

SEC. 501. All policies, procedures, and directives prescribed—

(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this act;

(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under the authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this act.

in effect upon the effective date of this act and not inconsistent therewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except secs. 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan No. 1 of 1947: *Provided*, That, with respect to the disposal under this act of any surplus real estate, all priorities and preferences provided for in said act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949.

(2) that portion of the act entitled "An act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes," approved June 30, 1948 (Public Law 862, 80th Cong.), as amended, appearing under the caption "Surplus property disposal";

(3) the act entitled "An act to authorize the Secretary of War to dispose of material no longer needed by the Army," approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

(4) the act entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy," approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

(5) section 5 of the act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

(6) section 1 of the act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

(7) the act entitled "An act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes," approved July 2, 1948 (Public Law 889, 80th Cong.);

(8) section 203 of the act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

(9) the act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

(10) the second proviso contained in the paragraph of the act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

(12) the twenty-sixth paragraph under the heading "National parks" of the act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

(16) the act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

(17) the fifth paragraph under the heading "Office of the Chief Signal Officer" of the act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

(18) the third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

(19) the fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

(20) the second paragraph under the heading "Government hospital for the insane" of section 1 of the act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

(21) the second paragraph under the heading "St. Elizabeths Hospital" of section 1 of the act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58); and

(28) the act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b); and

(29) the word "proportionate" and the words "including breaking, shrinkage, transportation, cost of handling, by the Treasury Department, and inspection" appearing in section 2 of the act of February 27, 1929 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order No. 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

(d) Nothing in this act shall impair or affect any authority of—

(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation; *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this act and the policies and regulations prescribed pursuant thereto;

(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said act;

(4) the National Military Establishment with respect to property required for or located in occupied territories;

(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said act may be entered, or withdrawn from warehouse, free of duty.

(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940 (54 Stat. 712);

(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (iv), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation

of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this act, and the policies and regulations prescribed pursuant thereto;

(17) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

(18) for such period of time as the President may specify, any other authority of any executive agency which the President determines within 1 year after the effective date of this act should, in the public interest, stand unimpaired by this act.

AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER OF AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this act.

SEPARABILITY

SEC. 504. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

EFFECTIVE DATE

SEC. 505. This act shall become effective on July 1, 1949, except that (1) the provisions of section 402 (a) (2) shall become effective on June 30, 1949; (2) the provisions of section 502 (a) (29) shall become effective on July 1, 1950.

Mr. HOLIFIELD (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the bill be considered as read, printed in the RECORD, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the committee amendments, as follows:

Page 2, title II, sec. 206, strike the period and add ", and cataloging."

Page 3, line 5, strike "-", after the word "public."

Page 3, line 23, strike "1" in parentheses and insert "1."

Page 3, line 25, strike "1" in parentheses and insert "2."

Page 5, line 3, strike "1" in parentheses and insert "1."

Page 5, line 8, strike "1" in parentheses and insert "2."

Page 7, line 16, strike the word "Agency", and insert in lieu "Administration."

Page 8, line 24, after the word "Administration" insert "."

Page 13, line 21, after the word "public", strike "-."

Page 14, line 9, after the word "public", strike "-."

Page 15, line 13, strike "35d" and insert "354"; strike ")" and insert ", 41 U. S. C. (7b))."

Page 18, line 8, after the word "value" strike "-."

Page 19, line 2, after the word "property", insert "-."

Page 21, line 15, after the word "usable", insert "and necessary."

Page 22, line 2, after "non", strike "-."

Page 38, line 8, strike the word "Agency" and insert in lieu "Administration."

Page 50, line 14, strike "III" and insert in lieu "IV."

Page 54, line 7, after "(6)" insert "The first and second provisos contained in the fourth paragraph under the heading 'Division of Supply' in."

Page 57, line 5, after the parenthesis, strike "; and."

Page 57, line 6, strike out entire subsection "(29)."

Page 60, line 17, strike "iv" in parentheses and insert "4."

Page 62, between lines 10 and 11, insert new subsection, "(17) Central Intelligence Agency;"

Page 62, line 11, strike figure "17" in parentheses and insert "18."

Page 62, line 21, strike figure "18" in parentheses and insert "19."

Page 63, line 21, strike figure "402" and insert in lieu "502."

Page 63, line 23, strike "502 (a) (29)," and insert in lieu "201 (e)."

The committee amendments were agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Page 28, line 22, strike out the word "Agency" and insert in lieu thereof the word "Administration."

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Page 22, strike out line 24 and on page 25 lines 1 and 2 and insert the following:

"(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

"(A) Subject to the disapproval of the Administrator within 30 days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security

Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Subject to the disapproval of the Administrator within 30 days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(D) 'States' as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

"(2) Subject to the disapproval of the Administrator within 30 days after notice to him of any action to be taken under this subsection—

"(A) the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

"(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

"(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

"(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces.

"Is authorized and directed—

"(1) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

"(2) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(3) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States."

Mr. HOLIFIELD (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with, and that the gentleman from West Virginia [Mr. BURNSIDE] be recognized for 5 minutes to explain it. It is a technical amendment, and I believe most of the members of the committee are familiar with it.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, some of the members of the committee might be familiar with it, but I have never heard of it. I am willing that the gentleman explain it.

Mr. HOLIFIELD. My idea that the further reading be dispensed with at this time is because it is quite technical, and the gentleman from West Virginia is ready to explain it, so that I believe the gentleman from Michigan will obtain more information from the explanation than the technical reading of the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have no objection to that, but I would like to have a copy of the amendment.

Mr. HOLIFIELD. We will send it to the gentleman.

Mr. HOFFMAN of Michigan. I thank the gentleman for his courtesy.

Mr. HOLIFIELD. This is an amendment which was accepted by the Senate in its revision of the words regarding the educational provision which puts schools and the health departments on the same parity as recreation and parks.

Mr. HOFFMAN of Michigan. It never came before the committee, did it?

Mr. HOLIFIELD. The substance of it came before the committee, and we instructed the Federal Works Administrator representative and the Bureau of the Budget and the educational people to get together and draw the proper language that they could agree on, and all the agencies have agreed on the language and they now bring it back to us. It is a revision of the language that is contained there, and it places the schools and the health agencies on the same level as recreation and parks and monuments as far as the obtaining of surplus property is concerned.

Mr. HOFFMAN of Michigan. I am inquiring when this was ever before the committee. I have been to the committee meetings and I never heard of this amendment.

Mr. HOLIFIELD. It was before the committee at a time when the gentleman was not present.

Mr. HOFFMAN of Michigan. Oh, I see. The full committee?

Mr. HOLIFIELD. The subcommittee.

Mr. HOFFMAN of Michigan. I was in the full committee when the bill was reported out. This was not there then. All right, let me have a copy of it.

Mr. HOLIFIELD. This was during the time the subcommittee was holding its meetings.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BURNSIDE. Mr. Chairman, we have just received a letter from Mr. Larson that I think will explain this amendment.

Mr. Chairman, when the Committee on Expenditures in Executive Departments had under consideration H. R. 4754, the War Assets Administrator who has since become Federal Works Administrator, advised the committee that he wished to offer an amendment to the bill in connection with the disposal of property for education and public health use.

The Surplus Property Act of 1944 provides for Public Benefit Allowances in the transfer of property for health and education purposes to State and political subdivisions thereof and to tax-supported and nonprofit educational and health institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code. The Surplus Property Act of 1944 also provides for conveyance of property for airport purposes without monetary consideration to the State, political subdivision, municipality or tax-supported institution and for the transfer of property for park and recreational purposes at a price equal to 50 percent of the fair value. The bill as now written repeals the provision granting public benefit allowances to health and education organizations and institutions.

Our committee suggested that the Administrator confer with health and education officials of the Federal Security Agency and submit to the committee an amendment which would authorize a continuation of public benefits to health and education organizations and institutions as is already provided for airports, public parks, public recreation areas, or historical monuments.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Vermont.

Mr. PLUMLEY. In order to know how to vote on this proposition, may I ask the gentleman if the pending amendment was submitted to the members of the subcommittee?

Mr. BURNSIDE. It was, and the gentleman from Indiana [Mr. HARVEY] is in full accord. He sat on the committee and we worked it out together.

Mr. PLUMLEY. But the members of that subcommittee had a copy of the amendment?

Mr. BURNSIDE. I would not say everyone has, but a number of us who

have been working on this matter have copies.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from California.

Mr. SCUDDER. Will the Post Office Department be able to buy under the provisions of this amendment? I know postmasters in my district have authority to buy trucks, but they could not buy any of the surplus trucks. They could not get new trucks to service their departments.

Mr. BURNSIDE. They could buy under this bill even if we did not have this amendment. Any Federal agency can get the first choice on any of these products that are available.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from Indiana.

Mr. HARVEY. I think it would be wise to bring out that the Senate had in their bill one proviso with which the House did not see fit to go along. As most of you know, this carries an item for the disposition of surplus real estate. It provides that the former owners can acquire ownership again. The Senate proviso gives them no time in which to complete any deals in which they might be engaged. We struck that provision from the amendment and set the cut-off date as of December 31, 1949. In other words, they are given 6 months time and notice after the probable effective date of this act in which to complete the acquisition of property they might have owned previously.

Mr. BURNSIDE. The gentleman from Indiana is entirely correct.

Repeating, our committee suggested that the Administrator confer with health and education officials of the Federal Security Agency and submit to the committee an amendment which would authorize a continuation of public benefits to health and education organizations and institutions as is already provided for airports, public parks, public recreation areas, or historical monuments.

It was agreed that we would approve such an amendment provided a joint recommendation could be made by the Administrator and the officials of the Federal Security Agency. After our committee reported the bill to the House the Administrator submitted an amendment in accordance with our suggestion. This amendment has been adopted by the Senate Committee on Expenditures in Executive Departments and is now a part of the Senate bill "Federal Property and Administrative Services Act of 1949." It is the exact wording of the Senate bill with the exception the gentleman from Indiana stated.

In accordance with our suggestion to the Administrator and with due consideration to the needs of health and education of the United States, we desire to offer as a committee amendment to H. R. 4754 a substitute for the language in 203 (k), beginning on page 22, line 24 through line 2, page 25. The substitution will take care of the omission in our

original bill of public-benefit allowances for health and education.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I am glad to yield to the gentleman.

Mr. HOLIFIELD. Is it not true that this particular educational amendment was brought before us by the representative of the National Association of Education of the State agencies, and that we were asked to put this in at their request?

Mr. BURNSIDE. The gentleman from California is absolutely correct. In addition to that, the National Education Association also made the request that we add this here.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I am glad to yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. What this amendment does, then, is to create what might be termed a priority for educational purposes; does it not?

Mr. BURNSIDE. No; this puts them on an equal basis with the parks and monuments.

Mr. HOFFMAN of Michigan. They are in a special class.

Mr. BURNSIDE. Yes; this puts them under the same classification.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield.

Mr. HOLIFIELD. It keeps the parks and recreation groups from having priority over schools and health groups.

Mr. BURNSIDE. That is entirely correct.

Mr. HOLIFIELD. It puts them on a level with them.

Mr. BURNSIDE. These changes in H. R. 4754 would grant to those institutions and organizations serving the public interest in the fields of health and education the same recognition as the bill now gives to airports, public parks, public recreation areas, and historical monuments. Without these changes, health and educational claimants for surplus real property would be forced to compete with the highest bidders for such property without recognition of the benefits to accrue to the United States through the educational or health utilization.

Mr. Chairman, on instructions from the committee, the gentleman from California [Mr. HOLIFIELD] has offered this amendment.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

[Mr. HINSHAW addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from California. The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 13, line 3, strike out the word "without" and substitute the word "with."

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to say to the gentleman from Kansas [Mr. REES] that the amendment which has just been adopted I believe takes care of the situation by striking out the words "without consideration of existing law" and inserting "with consideration of existing law."

Mr. REES. I am not so sure that the amendment offered by the gentleman from California will take care of the problem that I have mentioned. It takes care of it partly, but I have an amendment at the Clerk's desk which definitely does take care of it. I have no objection to the amendment which the gentleman from California offered, although I think we might just as well spell it out definitely as to leave any question about it.

Mr. HOLIFIELD. It was my understanding that the gentleman was satisfied with the committee amendment; if he is not he is privileged to offer his amendment.

Mr. REES. My amendment definitely takes care of the situation, but the gentleman's amendment does not take care of the situation which I mentioned a moment ago. I intend to submit my amendment.

Mr. HOLIFIELD. The gentleman has that privilege.

By unanimous consent the pro forma amendment was withdrawn.

Mr. REES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES:

Page 13, line 1, after the word "supply" strike out the remainder of the section and insert in lieu thereof the following:

"They shall receive the compensation provided under existing law for Federal Works Administrator, Assistant Federal Works Administrator, and Director of the Bureau of Federal Supply, respectively."

Mr. REES. Mr. Chairman, I direct your attention to section 109, "Salaries of Officers." Here is what the bill as amended by the gentleman from California provides:

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services, the Commissioner of Federal Supply, the Commissioner of Public Buildings, the Archivist of the United States, and the Commissioner of Public Roads, and with regard to existing provisions of law governing such compensation, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

We are following a policy of permitting the President to fix the salaries. The gentleman from California a while ago said it was not new and was done once before; but whether it be new or not, it seems to me that it is a policy that we ought not to adopt in this House; certainly the Congress ought to determine the salaries of the employees, and not place that authority in the hands of the Administration, yet you put that authority in the hands of the President.

My amendment provides in substance that the Administrator of General Serv-

ices shall receive the same salary as the present Federal Works Administrator, which is \$12,000; that the Assistant Administrator shall receive the same salary as the Assistant Federal Works Administrator, and that the Commissioner of Federal Supply shall receive the present salary of the Director of the Bureau of Federal Supply.

It seems to me this amendment is fair because the Congress can and should fix those salaries. For the present, let us put them as they are here. If the President should see fit to fix these salaries at \$17,500, \$20,000, or \$22,500, as proposed in a bill now being considered by the Rules Committee of the House, you can understand very well the situation with which you will be confronted. It is possible and probable some of the salaries should be increased, but it should be done in an orderly manner.

It is my contention that at least temporarily we should fix the salaries as they are presently. If the House and the other body deem proper to increase the salaries, good and well.

The only thing I am doing by this amendment is to leave the salaries right where they are, pay the same people the same salaries they now receive until the Congress can determine whether the salaries should be increased.

If you are going to place the authority of determining these salaries in the hands of the Chief Executive, then you are establishing a policy whereby you say in substance, let the President fix these salaries and the Congress adjust them afterward. The proper thing to do is to let the President make recommendations on the basis of the work and responsibilities assumed, and then let the Congress determine what the salaries should be.

The House and the other body presently have bills pending dealing with the adjustment of salaries of topflight officials. I am surprised that you are not willing to handle these matters by regular procedure, especially those of you who complain about "giving the President more power." In fairness, I am informed the President has not even asked for this authority.

One thing further, there are additional positions in this bill whose duties remain the same, but you are authorizing the President to change their salaries, notwithstanding the fact their salaries are already fixed by law.

Mr. Chairman, I hope the amendment will be approved.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas [Mr. REES] and I ask unanimous consent that the amendment offered by the gentleman from Kansas be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk reread the Rees amendment.

Mr. HOLIFIELD. Mr. Chairman, in writing this section 109 we had several conferences with the parallel committee in the other body and we have attempted to arrive among ourselves at a fair salary for these men. The three new officers,

the Administrator of General Services, the Deputy Administrator and Commissioner of Federal Supplies, are not included in the Classification Act, as I understand it.

First, we tried to set up a rate of salary which we thought was commensurate with their duties. We came to the conclusion that their duties are going to be drastically changed under this particular set-up; therefore, in view of the fact that the Commissioner of Public Buildings and the Commissioner of Public Roads are being taken care of in the Deficiency Appropriation Act, we thought we would leave these other three to the judgment of the President.

As I pointed out before, this is not new language. The discretion was left to the President to set the salary for the Secretary of National Defense. In writing my amendment and in conferring with the gentleman from Kansas, I agreed with him to change the words "and without regard to existing provisions of law governing such compensation" to "with regard to existing provisions of law governing such compensation, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved."

These offices do have new and additional duties. I have confidence that the President will not put an extortionate salary on these offices. If he did, he would cause untold friction in the administrative departments. If he placed a salary for these men higher than they should have it would lead to various difficulties.

I realize we have to face this salary situation but I think it should be faced in the proper place, which is the Classification Act, and in a legislative way. If the amendment offered by the gentleman from Kansas is agreed to, the gentleman is arbitrarily taking upon himself the determination of what these men should receive without knowing what their duties will be.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Kansas.

Mr. REES. This amendment simply fixes the amount of compensation until such time as the Congress shall determine what the salary shall be; that is all we are doing. Under the proposal offered by the gentleman from California, you are saying that the President shall fix those salaries until the Congress shall determine the question. I think that the Congress ought to determine the question before the President fixes the salary, because if the President should happen to put them out of line with salaries of other officials that have commensurate duties, the gentleman can well see the difficulty we are going to have. If the gentleman's proposal was correct in the first place, then I observe that the committee did not see fit to fix the salaries here at all. That was left wide open. But, when you leave it wide open, leave it to the House and the other body and do not put it in the hands of the President. I think the premise is wrong, once you permit the President to fix the salaries and then

afterward have the matter determined by Congress. Let Congress fix them. Let the President make his recommendations.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I rather agree with the objective of the gentleman from Kansas, but this law does establish certain new positions. The Administrator of General Services and the Deputy Administrator, for instance, are new officers with a great deal of responsibility heading up a new agency that will handle many, many millions of dollars, up into the hundreds of millions of dollars, in all probability. Now, with the amendment offered by the gentleman from California to change the word "without" to "with," it means that the President shall fix the compensation at a rate which he shall deem to be commensurate with the duties and responsibilities of the respective officers involved or with regard to the existing provisions of law governing such compensation.

Mr. HOLIFIELD. That is right.

Mr. BROWN of Ohio. It means that he is to fix the compensation on about the same basis as provided by the laws on the statute books today for similar positions where the rate of pay has been fixed by Congress. We are not exactly certain just what each of these persons will be called upon to do or what their responsibilities will be. We name them rather generally. I want to say further to the gentleman that this general pay increase bill for some of the higher officers of the Government has been held up until we see what we can work out with some of these reorganization plans, and whether they are worth more money or not. So I think this is really a tempest in a teapot. I think you are protected.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Missouri.

Mr. BOLLING. I think it might clarify this matter to realize that under the proposed amendment offered by the gentleman from Kansas [Mr. REES], the Administrator of General Services would receive \$12,000. It happens, I am informed that one of the appropriation bills contains a provision which would mean that a number of his subordinates would receive precisely the same amount per year. Those subordinates are the Commissioner of Public Roads and the Commissioner of Buildings.

Mr. HOLIFIELD. That is the item that I referred to in the deficiency appropriation bill where their salary is already set out at \$12,500, I think.

Mr. BOLLING. I think it is \$12,000. They would receive substantially the same as their boss would.

Mr. HOLIFIELD. That shows the difficulty of jumping in and making a rigid rate on the floor without a proper study of the over-all salary schedule as it exists at the present time and the commensurate duties and responsibilities which these gentlemen will have which I submit no Member of Congress can know until they get into operation.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Kansas.

Mr. REES. As a Member of this great body, I do not want to be one who would say that I would be the one to pass on the question of what these salaries should be.

Mr. HOLIFIELD. I say this is no way to do it. We should do it under due consideration by the proper committee.

Mr. REES. All in the world we are doing here is to say that these salaries shall remain as they are for the present, and then let the House and the other body determine what the salaries shall be. Let us not start the policy of saying that the President is the one who shall say what salaries ought to be, and then let the House pass on the thing afterward. The policy you are following this afternoon is wrong, in my judgment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Iowa.

Mr. GROSS. I disagree with the gentleman from Ohio when he says that under your language, saying "with" instead of "without," the President has to fix the salaries commensurate with the law. It does not say any such thing. That still leaves it discretionary with the President to fix them at any rate he wants to make them. There is nothing mandatory about it.

Mr. HOLIFIELD. I disagree with the gentleman. When it says that the President shall fix these compensations with regard to existing provisions of the law, I think he has to take that into consideration. I certainly think that any such salary that was set but that was not in accordance with existing provisions of law and in accordance with commensurate duties and responsibilities would be subject to action in the Committee on Appropriations when the matter came up, or in the classification bill.

Mr. GROSS. That might be true, but there is still nothing mandatory about it.

Mr. HOLIFIELD. Mr. Chairman, I ask that the House uphold the committee in its position and vote "no" on the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems to me that we get ourselves into a rather involved and complicated state of mind when we are dealing with a problem of this character. I would not take this time except that I feel that perhaps some clarification of the present situation is in order.

As I understand the present situation, the jobs proposed to be created under

this bill, the Administrator of General Services, the Deputy Administrator of General Services, and the Commissioner of Federal Supply, are new jobs. They have not had job specifications written for them so as to have them set up under the Classification Act, and until we create the jobs the determination is made as to their responsibilities and the job specifications are written, it is impossible to determine what their salaries might be under existing law.

Once, however, we pass this legislation creating these new jobs and the responsibilities are determined administratively, and the job specifications are written up, the general law relative to the classification of Federal jobs would come into play and fix their salaries.

Therefore, it seems to me perfectly clear that the amendment we have already adopted, which states that the President shall fix their salaries with regard to existing law, means that the job specifications shall describe the nature and character of the work to be performed, and when those job specifications are once written up, as all Federal jobs are written up and specified, the Classification Act will determine the amount of the salary. It seems to me it is just exactly as simple as that. If we indulge in any further amendment, we will be complicating and tying the hands of the effort that is being made to reorganize this Government and to give some power to the President to make an effective reorganization.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. HARVEY. Am I to understand that the gentleman is supporting the committee?

Mr. KEEFE. I am definitely supporting the committee, and I believe it would be unwise to adopt the amendment suggested by the gentleman from Kansas [Mr. REES].

Mr. REES. In this measure, and I assume if the gentleman has read it he will agree, the Archivist is included. His salary is already fixed, but so far as we know, he will have no additional duties. Under this bill that you are supporting, the President can fix that salary.

Mr. KEEFE. I understand the gentleman's position with regard to the archivist, the commissioner of public roads, and the commissioner of public buildings, but under this law, can the gentleman state what the new responsibilities and duties of those three positions are going to be?

The gentleman does not know, and I do not know until the jobs are created under the law. The Classification Act will then determine what the salaries are to be. That is why they are included. I, for one, as one Member of Congress, want to see this reorganization program move forward. I, for one, am not going to stand in the well of the House and, in a picaresque manner, attempt wherever it is possible to tie the hands of the people to whom we must give some credit and responsibility in order to make this program work. If we are always doing that, we will never get a reorganization of the Government.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. Mr. Chairman, the gentleman from Wisconsin just referred to the fact that the amendment of the gentleman from California had been agreed to. As I understand it, the gentleman from California offered an amendment and then moved to strike out the last word. Then I believe the pro forma amendment was withdrawn. Then the gentleman from Kansas offered another amendment which I do not know whether it was in the nature of a substitute, or whether the other amendment had been agreed to. Would the Chair clarify the situation?

The CHAIRMAN. The amendment offered by the gentleman from California [Mr. HOLIFIELD], at line 3, page 13, was adopted before the Rees amendment was submitted. Thus, the Rees amendment is now pending and will be voted on as soon as debate is concluded thereon.

Mr. HINSHAW. Then the Chair states that the amendment of the gentleman from California was agreed to?

The CHAIRMAN. Yes; it was agreed to, prior to the submission of the Rees amendment which is now pending.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 54, line 19, strike out "fourth" and insert "fifth."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PETERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, pursuant to House Resolution 230, he reported the bill back to the House with sundry amendments adopted by the committee of the whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them engross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute, to revise and extend my remarks and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FEDERALIZATION OF THE NATIONAL GUARD

Mr. BRYSON. Mr. Speaker, we view with great alarm the constant tendency on the part of the Federal Government to further absorb the constitutional rights of the several States.

This Congress, constituted as it is of many students of the law, has flagrantly violated the provisions of the Federal Constitution by invading the province of State rights. I shall not enumerate the bills on our calendars, over which we have no constitutional authority, because they are well known even by the laity.

President George Washington appropriately anticipated this trend in our national life by his prophetic words when he observed that our form of government was in greater danger of being undermined from within than from without.

Let us take heed now lest the constant whittling away of the powers of the States leave them impotent to our great loss.

The general assembly of my State has appropriately memorialized the Congress regarding the proposal to federalizing our National Guard.

Attached hereto is a copy of a resolution with which terms I am in full accord:

A concurrent resolution memorializing the Congress of the United States to oppose the Federalization of the National Guard of the United States and the National Guard of the several States, Territories, and the District of Columbia in whole or in part

Whereas the Secretary of Defense brought into being in 1947, the Committee on Civilian Components, commonly known as the Gray Board, and which committee was directed by said Secretary of Defense to make a comprehensive, objective, and impartial study of the armed forces; and

Whereas said Committee on Civilian Components on June 30, 1948, in its report to the Secretary of Defense, recommended, among other things, that national security required that all services have one Federal Reserve Force which should be accomplished:

(a) by establishing the Reserve forces of the Army under the Army clause of the Constitution;

(b) by similarly establishing the Reserve forces of the Air Force under appropriate legal authority;

(c) by incorporating the National Guard and the Organized Reserve Corps into the Army Reserve force under the name of "The National Guard of the United States";

(d) by incorporating the Air National Guard and Air Reserve into the Air Force Reserve under the name of the "United States Air Force Reserve"; and

Whereas on December 15, 1948, the Secretary of Defense recommended to the President of the United States, among other things, the federalization of the Air National Guard; greater Federal control over the personnel, equipment, facilities, allocation of money to the States; and

Whereas Federalization of the National Guard, in whole or in part, by the organization of a single Federal Reserve Force under the Army clause of the Constitution instead of under the militia clauses of the

Constitution, as the National Guard is now organized, and under which the sovereign States retain the authority for the appointment of the officers of the National Guard and the authority for the training of the National Guard in time of peace in accordance with the discipline prescribed by the Congress, would violate the principle of States' rights in that the framers of the Constitution contemplated a standing Army as the only Federal force which is made clear from the arguments advanced by Hamilton, whereby he persuaded the States to accept the principle of a standing army, large enough to accomplish the immediate purpose of the Congress only; its size to be controlled by limiting appropriations to a period of 2 years only with the further agreement that the States would maintain no troops in time of peace, other than with the consent of Congress, in exchange for the provision that the Congress would have power to provide for the organizing, arming, and disciplining (training) the militia and reserving to the State only the power to appoint officers and the authority to train the militia according to the discipline prescribed by Congress; and

Whereas complete federalization would violate the principle upon which the States bargained, as above explained, by giving to the Federal Government, in addition to its own standing army, a part of the militia over which the States would have no control or power whatsoever, instead of the control provided in clause 16, section 8, article I of the Constitution; and

Whereas nowhere in the Constitution is there any power given to the Federal Government to do other than raise and support armies and standing armies only were contemplated with no power ever given to the Federal Government to organize and support a Federal militia and none exists; and

Whereas federalization of the National Guard as now constituted under the militia clauses of the Constitution, in whole or in part, would not only violate the principle of States' rights but would violate existing agreements between the Federal Government and the sovereign States whereby the States accepted in good faith the allotments made by the War Department in 1945, and have completed the organization of such allotments, insofar as authorized by the Congress and for which funds have been provided; and

Whereas federalization of the National Guard, Air or Ground, as recommended by the Secretary of Defense and the Committee on Civilian Components, would destroy at one blow the National Guard as it now exists and which has rendered exceptional and valiant service to the Nation in two World Wars, and in time of peace would impose fantastic costs beyond the ability of the Nation to meet and would seriously jeopardize our national security and would result in the centralization of all military power in the Federal Government and ultimately in the hands of a few, and thus pave the way for the establishment of a dictatorship, military or otherwise, in this country; and

Whereas the States would be left without an internal security force and would be compelled to organize and maintain State troops at great cost to the States with the result that there would thus be maintained a Federal Reserve and State military force, creating a great duplication of effort and expense, while the National Guard, as it is now constituted and controlled, not only furnishes the necessary internal security for the States but, in addition, serves as a component of the Army of the United States and a first line of defense thereof as provided by the National Defense Act: Be it

Resolved by the House of Representatives (the Senate concurring), That the Congress and the President of the United States are hereby memorialized to retain intact the

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES
ACT OF 1949

JUNE 8 (legislative day, JUNE 2), 1949.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany S. 2020]

The Committee on Expenditures in the Executive Departments, having had under consideration the matter of Government property management and the reorganization of certain Government agencies in connection therewith, report the following bill (S. 2020) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and recommend that it do pass.

I. HISTORICAL BACKGROUND

The need for an efficient, businesslike system of property management has long been recognized. In 1943 the House passed, and this committee reported favorably, a bill (H. R. 2795) designed to fulfill that need. While being considered that bill was overtaken by the more immediate and special problem of disposing of our war surplus without dislocating our national economy. In the end, the Congress deferred action on long-range property management and, instead, adopted the Surplus Property Act of 1944 limited in objective to dealing with war-generated surplus and limited in life to 3 years after the date of cessation of hostilities. That date will occur on December 31, 1949.

In a special message dated March 5, 1948, the President recommended that the Congress renew consideration of Government property management and directed the Federal Works Administrator to submit a draft bill. Following the general pattern of that draft, this committee unanimously reported out a bill termed the Federal Property Act of 1948 (S. 2754, 80th Cong.) which would have provided a

uniform system for property management. Due to the press of other work, the Senate did not take up this bill before adjournment.

In the middle of February of this year the Federal Works Administrator, with the approval of the Director of the Bureau of the Budget, acting on behalf of the President, presented again a draft bill for a uniform property management system. That draft was substantially the same as the prior bill—S. 2754, Eightieth Congress—and was introduced in this Congress as S. 990. Simultaneously there was introduced S. 991 designed to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government for an Office of General Services—supply activities. In these two bills most provisions are common, the important differences being (a) the designation of the central housekeeping agency; (b) the treatment of military procurement; (c) the inclusion in S. 991 of records management, which was omitted from S. 990; and (d) the more detailed and specific coverage of substantive matters in S. 990.

In the bill as introduced and reported herewith the committee has retained the common features of S. 990 and S. 991, and incorporated the essential provisions of S. 597—a bill for the more economical operation of the general supply fund. In the main, the committee has adopted the substantive provisions of S. 990 and the organizational structure provided for in S. 991, with modifications and additions designed to make the resulting legislation more workable.

II. GENERAL STATEMENT

Six years ago the confused state of legislation dealing with Government property management was described as follow :

Efficient executive management of the Government's great and growing investment in equipment, materials, and supplies, and the control of the Congress over the use and disposition of such property are seriously handicapped by the lack of comprehensive legislation. The essential foundation of management standards in determining what and what quantities should be bought, and similar standards to govern utilization are conspicuous by their absence. Although the accrual of surpluses is an inevitable feature of the active operations of Government, the determination and release of such surpluses are entirely within the discretion of thousands of widely scattered executives * * *. Even under normal conditions the results of such a situation are apparent in excessive stocks, unnecessary duplication, lack of maximum utilization, unauthorized augmentation of congressional appropriations by free transfer of cash equivalents from one to another, heavy direct losses to the Treasury, and waste in other forms. (1943 report of the House Committee on Expenditures in the Executive Departments on H. R. 2795, quoted with approval in 1944 in the report of this committee on the same bill.)

Leading off its report on an Office of General Services, the Commission on Organization of the Executive Branch of the Government has this to say on the subject:

Three major internal activities of the Federal Government now suffer from a lack of central direction. These are supply, records management, and the operation and maintenance of public buildings. These activities are carried on in several places within the executive branch with varying degrees of adequacy. While, as a general rule, centralized direction is lacking, there are some instances of the exact reverse of this situation in which operations are centrally controlled down to the smallest detail.

To the general public, the "housekeeping" activities listed above are little known, but unless they are properly administered, the executive branch cannot be effectively managed.

In the second part of the same report, relating to Federal supply activities, the Commission starts by saying:

The Federal Government runs one of the greatest supply businesses in the world. It is spending more than \$6,000,000,000 a year for new material, supplies, and equipment for the regular activities of the civilian and military agencies. In addition, since 1941, the Federal Government has been engaged in enormous purchases for export in connection with lend-lease and foreign-aid programs. It makes huge purchases of strategic and critical materials from foreign sources, and imports them for the national stock pile.

The Federal Government also has in storage, in the continental United States, military and civilian inventories valued at \$27,000,000,000. No one knows accurately the total worth of Government personal property currently being used, but its million or more motor vehicles, for example, have a value of at least \$2,000,000,000. The Government also pays out more than \$1,000,000,000 yearly for transportation of property, and \$440,000,000 in salaries of the nearly 150,000 employees working in supply operations.

As recommended by the Commission on Government Organization, the bill here reported establishes a General Services Agency, headed by an Administrator directly and personally responsible to the President, who, in turn, is authorized to issue policies and directives which shall govern the Administrator and all executive agencies. Also as recommended by the Commission, there are transferred to the new agency (a) the Bureau of Federal Supply of the Treasury Department, which now has limited over-all responsibility for the procurement of personal property and for the cataloging, supply, and utilization of such property; (b) the National Archives Establishment, which now has limited responsibility in the field of records management, mainly having to do with the maintenance and preservation of historical records; and (c) the Public Buildings Administration of the Federal Works Agency, which provides and manages most office and warehouse facilities for the Government. To round out this organizational structure, the bill also transfers to the General Services Agency (a) the War Assets Administration which, under present law, would be liquidated on June 30 of this year and its functions scattered among several agencies; and (b) all other functions of the Federal Works Agency. These other functions of the Federal Works Agency likewise are of a service character and the committee feels that they logically belong in any General Services Agency. These service functions consist generally of the design and construction of public buildings, the disposal of surplus real property, the conduct (in the Public Roads Administration) of the Federal-aid road program and the provision of roads for other agencies, the custody and maintenance, on behalf of the National Military Establishment, of plants and machine tools in the National Industrial Reserve, disaster relief, the administration of certain functions of the water-pollution-control program, etc. Management of the general services of the Government cannot be conducted efficiently unless these responsible units are brought under a common leadership and direction. In so doing, and recognizing that this is a relatively new field for the Government, the bill authorizes the Administrator to transfer, regroup, and distribute functions within the agency.

The Commission, in its report on the Department of Commerce, has also recommended that the Public Roads Administration be transferred to that Department as an important component of a new alignment of transportation services (recommendation No. 7). The committee has, however, withheld action on such transfer until some

determination is made relative to the over-all program to be accepted by Congress on the reorganization of the Department of Commerce, and on the proposed consolidation of transportation agencies.

Likewise, the bill also transfers the Bureau of Community Facilities to the new General Services Agency. The Hoover Commission has recommended (recommendation No. 4, on the Department of the Interior) that community services be centralized in general building construction services. In the bill, the President is given authority to continue the Bureau of Community Facilities within the new agency for such time as he may determine, and the Congress should consider this problem further in connection with related reorganizations.

While fixing management responsibility, the bill provides operating machinery flexible enough to cope with the needs for specialized service. For instance, the Secretary of Defense is authorized, unless the President otherwise directs, to exempt the National Military Establishment from uniform procurement whenever he deems such exemption required in the interest of national security. Similarly exempted from central control are the purchase and disposal of farm products under programs conducted by the Department of Agriculture for purposes of price support or stabilization. On the other hand, the bill contemplates the continuation of centralized contracting for, procurement and distribution of, supplies and services to meet the consolidated requirements of the executive agencies, and the use of such facilities by other Federal agencies, where determined to be advantageous to the Government. In other respects, the bill provides, generally, for uniform policies and methods of procurement, supply, and related functions. This is expected to stop the great losses previously incurred by the Government through competition of executive agencies for the same articles in the same markets, unnecessary buying, lack of quantity purchases, and other inefficiencies.

Equally great losses have been suffered by the Government through purchasing of new articles by one agency when serviceable articles of the same type are available in the inventories of other agencies and excess to their needs. The bill is expected to stop these losses. It provides a uniform system for the identification and classification of property, and for the standardization of contract forms, specifications, and procedures. It requires executive agencies to maintain reasonable inventory levels and to establish adequate inventory controls. The Comptroller General is authorized to prescribe principles and standards for property accounting. The bill requires continuing surveillance by every executive agency of the property under its control and it authorizes the Administrator to make surveys of such property and of property-management practices. Through these measures, the committee believes that there can be, and, if efficiently administered, that there will be maximum utilization of property already owned by the Government and minimum purchasing of new property.

Again in line with the recommendation of the Commission on Government Organization, the bill provides a central system relating to traffic management, transportation, and other public-utility services for the use of executive agencies.

As most of the objectives of the Surplus Property Act of 1944 have largely been attained, the bill, in harmony with existing law, dispenses with all priorities and preferences on personal property. The committee believes, however, that, from time to time, there will become

surplus to the Government, books, equipment, or other supplies the sale of which would realize little monetary return but which would be usable by and of great benefit to our schools and colleges. The bill therefore authorizes the Administrator, in his discretion, to donate such surplus property for educational purposes upon the recommendation of the Federal Security Administrator. The committee believes that the authority vested in the Federal Security Administrator is broad enough to authorize him to redelegate his authority to some other person designated by him, and that the appropriate designee in this specific instance would be the Commissioner of Education.

Surplus real property generated by World War II is in a different situation. Accordingly, the committee has retained priorities and preferences with respect to the disposition of surplus real property, including public benefit allowances for education, health, municipal airports, public parks, and recreational purposes.

Title III extends to the General Services Agency the principles of the Armed Services Procurement Act of 1947, with appropriate modifications principally designed to eliminate provisions applicable primarily to the military. The Administrator of General Services under certain circumstances is also permitted to delegate to any other executive agency, not named in the Armed Services Procurement Act, authority, under certain circumstances, to make purchases and contracts pursuant to the provisions of title III. This title provides for the modernization of procurement methods and procedures. It clarifies and preserves the formal advertising method of procurement, but at the same time, under proper control, authorizes negotiation in certain classes of cases. This title is designed to cope with future as well as presently existing situations, and to constitute a comprehensive code of procurement methods and procedures.

The committee believes that title III is substantially in accord with the recommendation made by the Commission on Organization of the Executive Branch of the Government in its Report on the Organization and Management of Federal Supply Activities, that legislation be enacted to apply the principles of the Armed Services Procurement Act of 1947 to buying by all agencies, this authority, however, to be lodged in the President (recommendation No. 2, p. 40, of the Combined Report on Office of General Services, and Supply Activities). Title III is substantially in accord with the report unanimously adopted by the Procurement Policy Board of the War Production Board in the fall of 1945 and in accord with legislation drafted by a special committee of the Procurement Policy Board.

Under the administration of the Department of State, most of the surplus property generated in foreign areas as a result of World War II has either been sold or has been committed for sale. The remaining small inventory is widely dispersed and of specialized or technical character; in most cases the cost of transportation back to this country probably would exceed either the use value to the Government or the sales return in the commercial market. Title IV of the bill deals with this problem and provides that the agencies responsible for such property shall dispose of it where located abroad, taking into consideration the foreign policy of the United States. As a practical matter, this means that the armed services will dispose of surplus property located in foreign countries pursuant to policies established by the Secretary of State.

As stated above, existing authority of the National Archives Establishment with respect to records management is considerably limited. Accordingly, authority has been granted to the Administrator to survey and report to Congress what action is necessary to improve records-management activities. The committee feels that this bill will authorize the Administrator of General Services to make a start in this field. Later, when this problem has been more thoroughly studied, the Congress might enact new and broader legislation for records management in line with the recommendation of the Commission on Organization of the Executive Branch of the Government.

The committee feels very strongly that the economies resulting directly from consolidation of agencies are and should be only a beginning to the savings which will accrue to the Federal Treasury under the bill. Many millions more can be and must be shaved from expenditures for property management through merger of common services and the resultant reduction of overhead and elimination of duplicatory activities. Further, as previously noted, the maximum use of Federal property by the Federal Government will, with efficient administration, reduce procurement requirements to a minimum.

III. COMPARISON WITH S. 1809

Except as noted hereinafter, the provisions of this bill are substantially identical with those of S. 1809, reported by the Committee on Expenditures in the Executive Departments on May 9, 1949. The changes of substance which have been made in this bill are the following:

1. *Agencies transferred to General Services Agency.*—Sections 102 (a) and 103 of S. 1809 would have transferred to the General Services Agency, as organizational entities, the Bureau of Federal Supply of the Treasury Department, and the Public Buildings Administration and the Public Roads Administration of the Federal Works Agency, together with their respective functions, personnel, property, and obligations. Sections 102 (a) and 103 of this bill transfer only the Public Roads Administration to the General Services Agency as an organizational unit. The other agencies named above will be abolished as organizations, and their functions, personnel, property, and obligations will be transferred to the General Services Agency, to be administered there in such manner as the Administrator shall determine. This change has been made to conform more closely to the recommendations of the Commission on Organization of the Executive Branch of the Government, which stress the need for centralization of authority and the maintenance of flexibility in the internal organization of an agency such as the General Services Agency.

2. *Salaries of officers of General Services Agency.*—Sections 101 (a), 102 (a), and 103 (d) of S. 1809 would have prescribed the salaries payable to the Administrator and certain other officers of the General Services Agency, such salaries to be fixed in accordance with the provisions of other general legislation with respect to salaries of Government officers and employees. Such provisions have been omitted from this bill, and there has been substituted therefor a new section 101 (c), which authorizes the President to fix the salaries of such officers at rates, not in excess of \$15,000 per annum in any case, commensurate with the duties and responsibilities of their respective offices.

3. *Records management and transfer of National Archives.*—Section 104 (a) of S. 1809 would have excepted from the functions of the Archivist of the United States transferred to the Administrator of General Services the functions of the Archivist under the act entitled “An act to provide for the disposal of certain records of the United States Government,” approved July 7, 1943 (57 Stat. 380), as amended. This bill (a) eliminates that exception, and (b) contains a new subsection 104 (c) authorizing the Administrator to survey Government records and records management, promote improved records management practices, and report the results of such activities to the Congress and to the Director of the Bureau of the Budget.

4. *General supply fund.*—This bill contains in section 502 (a) three new paragraphs, (29), (30), and (31), which repeal certain existing statutes governing the present general supply fund administered by the Treasury Department. In substitution therefor, this bill adds a new section 109 which establishes a new general supply fund of the kind contemplated by S. 597. The new fund will consist of the assets of the present fund, and such additional sums as the Congress may appropriate, but shall not exceed \$100,000,000. Such fund (a) shall be available for use by the Administrator as a revolving fund in the procurement of personal property and nonpersonal services for use by Federal agencies, mixed-ownership Government corporations, the District of Columbia, and certain non-Federal agencies, and (b) shall be audited annually by the Comptroller General, who shall report to the Congress the result of each such audit. Requisitioning agencies shall pay for property and services so procured by advances or reimbursements made by them to the fund. Until July 1, 1950, prices for such property and services shall be fixed in accordance with present law and practice. Thereafter, there shall be excluded from the prices charged Federal agencies all elements of cost for indirect or overhead expenses of the General Services Agency (as ascertained by the Administrator with the approval of the Director of the Bureau of the Budget) and such expenses shall be paid out of appropriated funds. Prices charged other requisitioning agencies may, however, include cost elements for such indirect or overhead expenses.

5. *Surplus property disposals for educational and public health purposes.*—Paragraph (1) of subsection 502 (a) of S. 1809 provided for the indefinite continuation of certain provisions of the Surplus Property Act of 1944, as amended, including (a) section 13 (a), providing for the disposal of surplus property to States, local subdivisions thereof, and certain nonprofit institutions for educational and public health purposes, and (b) provisions establishing priorities and preferences governing the disposal of real estate under that act. Such provisions have been omitted from this bill, and there has been substituted therefor a new paragraph (1) in subsection (k) of section 203. The new paragraph authorizes the Administrator of General Services to assign surplus real estate to the Federal Security Administrator for transfer to States, local subdivisions thereof, and certain nonprofit institutions for educational and public health purposes, subject to the disapproval by the Administrator within 30 days after notice to him of any such contemplated transfer. Specific provision is made for the continuance under this paragraph of the “public benefit allowances” heretofore granted to such transferees under the Surplus Property Act of 1944. The net effect of this change is to carry over

into the bill as permanent legislation the substance of comparable provisions of the Surplus Property Act of 1944, but to clarify in some particulars the language employed for that purpose and to simplify the rigid priority system established by that act in the interest of economy in administration.

6. *Exemptions from terms of act.*—In paragraph (17) of subsection 502 (d) the Central Intelligence Agency has been added to the list of agencies whose existing statutory authority is not to be affected by the enactment of the bill.

IV. SECTION-BY-SECTION ANALYSIS

PREAMBLE

The bill commences with a short title styled the "Federal Property and Administrative Services Act of 1949," following which is a table of contents.

Section 2. Declaration of policy

This is very brief and states the intent of the Congress to provide for the Government an economic and efficient system for (a) the procurement and supply of personal property and nonpersonal services and performance of related functions; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management. Other sections of the bill implement items (a), (b), and (c) by consolidating the present scattered property functions and by providing a new uniform charter for property management. Item (d) is implemented only by the transfer of the National Archives Establishment to the General Services Agency. Additional legislation will be necessary to establish an effective system of records management. Such a system, however, should be built around the National Archives Establishment, and should be administered in the General Services Agency, so that this transfer is a logical first step toward its creation.

Section 3. Definitions

Several definitions require special note. "Property" includes all interests in property except the public domain and the major classes of naval vessels. "Excess property" means any property under the control of any Federal agency not required for its needs and responsibilities as determined by the head thereof. "Surplus property" means any property which has been declared excess by a particular Federal agency and which, after a survey of the needs of other Federal agencies, is determined by the Administrator of General Services no longer to be required by the Federal Government as a whole.

TITLE I. ORGANIZATION

Section 101. General Services Agency

(a) *Establishment of General Services Agency.*—This subsection provides for the establishment in the executive branch of the Government of a new agency to be known as the General Services Agency.

(b) *Administrator of General Services.*—This subsection provides that the new agency shall be headed by a new officer of the Government, entitled "Administrator of General Services," to be appointed,

after the enactment of this legislation, by the President by and with the advice and consent of the Senate.

(c) *Deputy Administrator.*—This subsection provides for a Deputy Administrator to be appointed by the Administrator. The Deputy Administrator will perform such functions as the Administrator may designate and be Acting Administrator during the absence or disability of the Administrator and (unless the President designates another officer to serve as Administrator) in the event of a vacancy in that office.

(d) *Performance of functions pending first appointment.*—This subsection provides that, pending the first appointment of an Administrator, his functions shall be performed, temporarily, by such officer as the President shall designate.

(e) *Compensation of Administrator, Deputy Administrator, heads and assistant heads of the principal organizational units.*—This section authorizes the President to establish the rate of compensation for the Administrator, Deputy Administrator, the heads and assistant heads of the principal organizational units, at such rates as he shall deem to be commensurate with their duties and responsibilities. A limitation has been inserted so that the salary of any one of these officials shall not exceed \$15,000 per annum.

Section 102. Abolition of Bureau of Federal Supply and transfer of contract-settlement functions

(a) *Transfer of functions of the Bureau of Federal Supply.*—This subsection provides for transferring to the General Services Agency the functions, records, and personnel of the Bureau of Federal Supply, now in the Department of the Treasury, and for vesting in the Administrator of General Services the functions of Treasury personnel relating to the Bureau of Federal Supply.

It also provides for abolishing the Bureau of Federal Supply, thereby permitting the Administrator of General Services to establish such organization as he deems necessary.

The Bureau of Federal Supply has been in the Department of the Treasury since 1933 and exercises central procurement functions for the executive branch of the Government. Its functions are not essentially related to the primary fiscal and tax functions of the Department of the Treasury so that the Bureau may readily be severed from the Department without impairment of the Department's efficiency. Functions of the Secretary of the Treasury transferred to the General Services Agency include all functions vested in him by law, but performed by the Bureau for him under appropriate delegation; for example, stock piling under Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and functions of over-all supervision and review of the performance of Bureau functions incidental to his position as head of the Department.

(b) *Transfer of contract-settlement functions.*—This subsection provides for transfer to the Administrator of General Services of the functions, transferred to the Secretary of the Treasury a little over 2 years ago, of the Director of Contract Settlement and the Office of Contract Settlement created by the Contract Settlement Act of 1944 (58 Stat. 649; 41 U. S. C. 101-125). These functions relate to the establishment of uniform policies and procedures for the settlement of terminated war contracts by Government contracting agencies

and, because of the almost complete liquidation of the contract termination program, are now routine and insignificant. Such little work as has been recently required in connection with this program has been carried on in the Treasury primarily by the Bureau of Federal Supply. It would be in the interest of good management to have this Bureau continue to wind up that program. This subsection likewise transfers from the Treasury to the General Services Agency the Appeal Board and the Contract Settlement Advisory Board also created by the Contract Settlement Act of 1944. This transfer is for housekeeping purposes only. The Secretary of the Treasury does not, nor will the Administrator of General Services, review decisions of the Appeal Board which will perform its functions under conditions and limitations prescribed by law.

(c) *Functions retained in the Treasury.*—This subsection permits the Bureau of the Budget to retain in the Treasury Department certain minor functions of the Bureau of Federal Supply, for example, as to printing, which properly pertain to the Treasury Department.

Section 103. Transfer of affairs of the Federal Works Agency

(a) *Transfer functions and constituent organizations.*—This subsection provides for the transfer of the Public Roads Administration, together with its functions, records, and personnel to the General Services Agency. All other functions, records, personnel, and funds of the Federal Works Agency, Federal Works Administrator, and Commissioner of Public Buildings are transferred to the Administrator of General Services.

(b) *Abolition of Federal Works Agency.*—This subsection abolishes the Federal Works Agency, Public Buildings Administration, Office of the Federal Works Administrator, Office of the Commissioner of Public Buildings, and the Office of the Assistant Federal Works Administrator.

(c) *Continuation of Bureau of Community Facilities.*—This subsection provides that the President may continue the Bureau of Community Facilities of the Federal Works Agency as a constituent of the General Services Agency for such time as he may determine.

Section 104. Records management: Transfer of the National Archives

(a) *Transfer of the National Archives Establishment.*—This subsection transfers to the General Services Agency the functions, records, and personnel of the National Archives Establishment, and to the Administrator of General Services the functions of the Archivist of the United States.

(b) *Transfer of National Archives Council and other bodies.*—This subsection transfers to the General Services Agency the National Archives Council, the National Historical Publications Committee, the National Archives Trust Fund Board, the Board of Trustees of the Franklin D. Roosevelt Memorial Library, and the Administration Committee of the Federal Register, and provides that the authority of the Administrator under section 106 shall not extend to those bodies or their functions.

(c) *Surveys of Government records.*—This subsection authorizes the Administrator to make surveys of Government records, records management, disposal practices, and obtain reports on records and disposal procedures from Federal agencies. The Administrator is authorized to promote improvements in records management, storage,

and disposition of records and to report to Congress and to the Director of the Bureau of the Budget the results of such activities.

Section 105. Transfer for liquidation of the affairs of the War Assets Administration

This section provides for the liquidation of the affairs of the War Assets Administration as an agency and transfers its remaining functions, and its records, property, personnel, obligations, and commitments to the General Services Agency. It also permits the retention of certain special assistants and other experts now holding appointments without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, and their appointment to similar positions.

The retention in employment and the status of other personnel transferred from War Assets Administration to the General Services Agency will be governed by applicable provisions of existing law.

Section 106. Redistribution of functions

Under this section the Administrator of General Services, in order effectively to perform the functions vested in him under the terms of this bill, is authorized to regroup and distribute within the Agency, functions transferred to or vested in him by the bill, and, with approval of the Director of the Bureau of the Budget, to make appropriate transfers of funds in connection therewith. Approval of the Director is required in order to assure that funds are expended for the purpose for which they were appropriated, but it is not intended to give him a veto power over the Administrator so far as the organization of the Agency is concerned.

Section 107. Transfer of funds

(a) This section transfers to the General Services Agency for activities under the bill the appropriations, allocations, or other funds available to the Department of the Treasury, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment for the functions transferred.

(b) *Transfer of functions of other agencies.*—This subsection provides that in the event that any other Federal agency, or any of its components, which are not specifically identified in this bill, are transferred to the General Services Agency, the functions, records, personnel, and funds of such organizations shall be transferred to the General Services Agency.

Section 108. Status of transferred employees

This section provides that, subject to other provisions of this title relating to personnel, employees transferred shall be deemed to be employees of the General Services Agency so as not to require reappointment.

Section 109. General supply fund

(a) This subsection reconstitutes the existing general supply fund for use by or under the direction of the Administrator. It establishes a ceiling on the capital of the fund and increases the present authorized capital by the amount of surplus therein at the end of the fiscal year 1949, varying for that fiscal year the rule that the surplus found in the fund as of June 30 be covered into the Treasury as miscellaneous receipts. The subsection continues the general purposes for which the

fund may be used, providing specifically for its availability for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and for paying all elements of cost of the procurement, handling, and distribution thereof except, effective July 1, 1950, those elements of cost which are determined to be indirect or overhead costs. The authorizations to use the fund to procure standard forms and blankbook work from the Public Printer and to make the fund's facilities available to all Federal agencies should contribute to the extension of the benefits of centralized procurement to all cases where such methods are more efficient and economical.

In eliminating the indirect and overhead costs from the costs which may be charged to the fund, cognizance has been taken of the recommendations of the Commission on Government Organization that the present surcharge on the price of commodities purchased centrally be eliminated and that the administrative costs of the central procurement agency be paid through direct appropriation. The provisions of this subsection are the result of an effort to find a practical solution of the problem of the surcharge. It is intended that the general supply fund be used to pay only those elements of cost directly applicable to its procurement, handling, and distribution activities, such as the purchase price and transportation to first storage point of supplies and services; the cost of equipment and material used exclusively in the handling, repair, and distribution of supplies; breakage, shrinkage, and other inventory losses; the costs of personal services of personnel employed in contracting and processing of orders for, and inspecting on receipt of, supplies purchased from the fund; and the cost of direct labor employed on the warehousing and distribution activities of the fund. Other costs, such as general supervisory, clerical and accounting costs, office and miscellaneous equipment and supplies, which are not incurred directly in connection with the procurement, handling, and distribution of supplies and services purchased from the fund will, as determined by the Administrator with the approval of the Director of the Bureau of the Budget, be budgeted and provided for by direct appropriation.

(b) This subsection provides for the fixing of prices of supplies and services sold from the General Supply Fund under the laws and regulations now applicable until July 1, 1950, and thereafter on the basis of recovering only the direct costs as outlined in connection with subsection (a) above. Reimbursement procedures are simplified by giving increased scope to the advance payment method of financing purchases from the fund, and by substantially reducing certain cumbersome and costly alternative procedures. The revised reimbursement procedures give effect, to the fullest extent practicable, to sound accrual accounting principles so that the books of the purchasing agencies will more accurately reflect the value of supplies and services actually received, and thus further the program which is under way to improve accounting throughout the Government. Prompt processing of reimbursements is essential to the successful operation of the program. To insure against undue delay, provision is made for reimbursement of the fund by transfer and counterwarrant if payment is not made by a requisitioning agency within 45 days after billing.

(c) This subsection provides that the general supply fund shall be credited with all reimbursements, advances, and refunds relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus property of the fund. It substantially reenacts existing law. Since the general supply fund is a revolving fund, it is appropriate that these moneys be so credited in the interest of smoothness of its operation and to avoid its depletion.

(d) Under this subsection the most effective utilization of cash resources of the fund is provided for, by authorizing the establishment of a special deposit account into which all advances and fund receipts may be deposited, and from which payments may be made immediately. Under this simplification of the present collection and disbursement procedures applicable to the fund, cash will be available for use promptly after collection, without sacrificing any necessary controls.

(e) This subsection alters the previous requirement that all surplus in the fund, as determined in the annual audit by the Comptroller General, must be covered into the Treasury as miscellaneous receipts, by permitting losses incurred by the fund in prior years, as well as all assets and liabilities, to be considered in ascertaining the amount of such surplus. This change takes cognizance of the fact that such prior losses represent impairments of the fund capital, unless made good from earnings, and also will counteract any tendency to establish prices at too high a level. Also, there is added the requirement that the Comptroller General report to the Congress annually the results of the audit. Such reports, and his recommendations as to the status and operations of the fund, should be helpful to the Congress in its consideration of supply activities.

(f) This subsection makes the procurement facilities of the fund available to mixed-ownership Government corporations, to the municipal government of the District of Columbia, and, in certain cases, to non-Federal agencies, but requires that prices charged for supplies furnished these agencies shall be fixed at levels estimated by the Administrator to be sufficient to recover, in addition to the direct costs, the indirect costs determined by the Administrator to be allocable thereto. It is contemplated that a minimum of increased work will be entailed by the different treatment of agencies procuring under this subsection, considering the provision for cost estimates. The entire amount of reimbursements by such agencies will be deposited into the fund, subject to annual covering into miscellaneous receipts of any surplus which may remain in the fund at the close of the fiscal year. To the extent applicable, all the other features of subsections (a) to (e), inclusive, will govern procurements under this subsection.

TITLE II. PROPERTY MANAGEMENT

This deals with the subject of property management within the United States.

Section 201. Procurement, warehousing, and related activities

(a) *Centralized control.*—This subsection authorizes the Administrator of General Services, where it is advantageous to the Government, to regulate the policies and methods of executive agencies with respect to the procurement and supply of personal property and nonpersonal

services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public-utility services, repairing and converting, and establishment of forms and procedures. The Administrator may himself procure such personal property and nonpersonal services and perform such related functions, may consolidate and operate or arrange for the operation of suitable warehouses, repair shops, and similar facilities, and may represent executive agencies in negotiations with, and in proceedings before, regulatory bodies involving carriers and other public utilities.

The Administrator is authorized to negotiate contracts for public-utility services, for agencies and departments, where it is deemed advantageous to the Government, for periods in excess of 1 year but not exceeding 10 years.

The provisions with respect to traffic management and management of public-utility services, and representation are not intended to abrogate any authority of the Department of Justice with respect to legal proceedings. This authority over procurement matters vested in the Administrator is a restatement of authority currently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new, and that the relationship with the National Military Establishment is somewhat changed. The Secretary of Defense is authorized, unless the President shall otherwise direct, to exclude procurement for the National Military Establishment from control of the Administrator where the Secretary deems exclusion in the best interest of national security. Combat equipment and other items of peculiar importance to the armed forces could thus readily be excluded by the Secretary of Defense. At the same time, the Administrator would be in a better position to serve the armed forces more fully in meeting their other supply requirements, and he can appeal to the President if he thinks the Secretary of Defense has wrongly excluded him from any field.

(b) *Services to the legislative and judicial branches, and mixed-ownership corporations.*—This subsection authorizes the Administrator upon the request of any agency in the legislative or judicial branches of the Government, or of any mixed-ownership Government corporation, or of the District of Columbia, to purchase, warehouse, and distribute personal property and nonpersonal services to meet their needs. Government economy will be furthered by allowing these organizations, supported in whole or in part by the Federal Government, to take advantage of savings in procuring supplies which the Administrator can provide through the operation of a central procurement system.

It is believed that with the exceptions provided in the bill, the system of centralized procurement, strengthened by the statutory support which the bill provides, will prove its efficiency and economy in the years to come. This does not mean that every item must be procured by a central agency, but only that such an agency must be responsible for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances.

(c) *Application of trade-in allowances.*—This subsection authorizes executive agencies to exchange or sell personal property and apply the trade-in allowance or proceeds of sale in whole or part payment for

property acquired where such exchange is the common commercial practice. This is an expansion of authority given under a number of existing statutes to specific agencies or with respect to specific types of property.

Section 202. Property utilization

This section deals with the most important phase of property management, which is continuing use by the Government of the Government's property.

(a) *Over-all direction of Administrator of General Services.*—This subsection fixes upon the Administrator of General Services the over-all responsibility to prescribe the policies and methods to promote the greatest use in the entire executive establishment of property which is excess to the needs of one particular establishment and also to provide for the transfer of such property among Federal agencies.

(b) *Responsibility of executive agencies to survey property.*—This subsection imposes upon each executive agency the responsibility, in the first instance, (1) to maintain adequate inventory controls and accountability systems for its property (see also sec. 205 (b)), (2) to survey its property continuously to determine which is excess to its needs and promptly report excess property to the Administrator, (3) to care for such excess property, and (4) transfer or dispose of such property in accordance with authority delegated and regulations prescribed by the Administrator.

(c) *Responsibility of executive agencies to use property.*—This subsection similarly imposes upon each executive agency the responsibility, in the first instance, to reassign property among activities within such agency, to transfer its excess property to other agencies, and to obtain for its use property which is excess to the needs of other agencies.

(d) *Transfer of property within National Military Establishment.*—This subsection permits the free transfer of excess property among the Departments of the National Military Establishment under existing provisions of law and procedures defined by the Secretary of Defense.

(e) *Terms for transfer of excess property.*—This subsection generally requires that transfers of excess property between Federal agencies shall be at the fair value thereof, as determined by the Administrator of General Services. Exceptions are made in the case of a transfer for general distribution among Federal agencies or for disposal as surplus property or where such transfer without reimbursement is otherwise authorized by recent legislation. "Transfers for redistribution to other Federal agencies" refers to instances where property is turned over to the Bureau of Federal Supply for redistribution rather than transferred direct for the use of another agency. When the redistribution occurs the transfer should be at fair value.

(f) *Transfer of property within an agency.*—Under this subsection transfers of property among activities financed by different appropriations to the same agency must be reported to the Director of the Bureau of the Budget and, in turn, reported to the Congress.

(g) *Assignment of office and warehouse space.*—This subsection clarifies and strengthens existing law by authorizing the Administrator of General Services to assign and reassign space in excess real property to any Federal agency for office, storage, or related facilities. He may obtain reimbursement for such assignment in the absence of an appropriation available to him therefor. It is expected that operations

under this subsection can and should materially lessen the present leasing of space for Government use in private office buildings.

(h) *Abandonment or donation of property.*—This subsection authorizes the abandonment, destruction, or donation to public bodies, of property having no commercial value, or the estimated proceeds from its sale.

Section 203. Disposal of surplus property

(a) *Responsibility of General Services Administrator.*—This subsection provides that the General Services Administrator shall have supervision and direction over the disposition of property surplus to the needs of the entire Government.

(b) *Care and handling of surplus property.*—This subsection provides that the care and handling of surplus property pending its disposition, and the disposal of surplus property, may be performed by the General Services Agency or any executive agency designated by the Administrator. An agency other than the one in possession, however, cannot be designated to perform care and handling or disposal without its consent.

(c) *Terms of disposal.*—This subsection provides that any agency disposing of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and may execute such documents for the transfer of the property as may be necessary.

(d) *Title of transferees.*—This subsection is designed to protect the interest of bona fide grantees or transferees. It makes instruments purporting to transfer title or other interest in surplus property under this act, which are executed by an executive agency, conclusive evidence of compliance with the provisions of the act in the absence of notice of defects.

(e) *Advertising for bids.*—This subsection provides that surplus property disposals may be made without regard to provisions of existing law for advertising, unless otherwise determined by the Administrator, until December 31, 1950. Thereafter, advertising and competitive bids will be required in disposing of such amount of surplus real property generated by World War II as is not sold by that date.

(f) *Adjustments for contractor inventories.*—This subsection provides that contractors or subcontractors with executive agencies may be authorized to retain or dispose of their contractor inventories.

(g) *Consultation with Secretary of Agriculture.*—This subsection requires the Administrator to consult with the Secretary of Agriculture in formulating policies for the disposal of surplus agricultural commodities, surplus food processed from agricultural commodities, and surplus cotton and woolen goods, and further requires that such policies shall be formulated to prevent surplus agricultural commodities or surplus food products from being dumped on the market in such manner as to disrupt the market prices for agricultural commodities.

(h) *Disposal of agricultural commodities.*—This subsection requires the Administrator to transfer to the Department of Agriculture without charge, any surplus agricultural commodities, foods, or cotton or woolen goods, whenever the Secretary determines it necessary in carrying out his responsibilities with respect to price support or

stabilization, and further requires that the receipts from disposals by the Department of Agriculture shall be deposited pursuant to authority available to the Secretary of Agriculture and the net proceeds of sales of property so transferred shall be credited pursuant to the provisions relating to proceeds in section 105 (b). It also provides that, except when sold for export, surplus farm commodities so transferred may not be sold in quantities in excess of or at prices less than those relating to such commodities when sold by the Commodity Credit Corporation.

(i) *Disposal of vessels for merchant use.*—This subsection establishes the United States Maritime Commission as the statutory disposal agency for surplus vessels of 1,500 gross tons or more, which it determines to be merchant vessels or capable of conversion to merchant use. Such vessels are to be disposed of in accordance with the Merchant Marine Act of 1936 and other laws relating to the sale of such vessels.

(j) *Donations for educational purposes.*—This subsection authorizes the Administrator of General Services, in his discretion, to donate surplus personal property usable for educational purposes as determined by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services, either direct or through State departments of education, to tax-supported and nonprofit school systems, schools, colleges, and universities. Provision is also made for allocation by the Secretary of Defense for transfer by the Administrator to educational activities of special interest to the armed services, such as maritime academies or military or naval preparatory schools, of surplus property of the National Military Establishment which the Secretary determines to be usable for such activities. It is expected that the Federal Security Administrator will delegate to the United States Commissioner of Education authority to make determinations and allocations under his general supervision, and that the Secretary of Defense will similarly delegate to an appropriate official his authority under this subsection.

(k) *Transfers of surplus real property for public use.*—(1) Under the Surplus Property Act of 1944, as amended, surplus real property has been transferred for public health and educational purposes subject to a public-benefit allowance to States and political subdivisions thereof and to tax-supported or nonprofit educational and medical institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code. This paragraph authorizes the Administrator in his discretion to assign to the Federal Security Administrator for disposal to such organizations surplus real property which has been recommended by the Federal Security Administrator as being needed for public health and education. It further provides that the Federal Security Administrator in fixing the sale or lease value of such property shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any eligible State, political subdivision, instrumentality, or institution.

(2) Under the Surplus Property Act of 1944, as amended, surplus property has been transferred, and under this act will continue to be transferred, to States and political subdivisions thereof, and to tax-supported or nonprofit educational and medical institutions for

specified uses, subject to various conditions and reservations. This paragraph would permit the head of the interested Government agency, subject to disapproval by the General Services Administrator, to enforce compliance with such terms, conditions, or reservations; to reform, correct, or amend the instruments of transfer by which such conditions or reservations are imposed; and to grant releases (including conveyances by quitclaim deed, in the case of real estate) from such conditions, reservations, and restrictions to the original transferee or to another eligible user. Such releases are to be conditioned upon findings that the property no longer serves the purpose for which the transfer was made or that release will not prevent accomplishment of the purpose of such transfer, and upon such other conditions as may be necessary to protect or advance the interests of the United States.

(1) *Abandoned property*.—Authorizes the Administrator to take possession of abandoned and other unclaimed property on Government premises to determine when title thereto vested in the United States, and to utilize transfer or otherwise dispose of such property. Former owners of such property will have 3 years from the date of vesting of title in the United States to file claim and if such claim is found proper are to be paid the proceeds realized from the disposition of the property, or, if the property is used or transferred, its fair value as of the time title vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator. It is contemplated that if such property is utilized or transferred its fair value will be paid by the receiving agency in line with the provisions of section 202 (e), and that such amounts and proceeds realized from dispositions will be covered into the Treasury as miscellaneous receipts pursuant to section 204 (a). Under other authority in the bill appropriations may be made for payment of any claims presented by the rightful owners.

Section 204. Proceeds from transfer or disposition of property

(a) *Deposit of proceeds into miscellaneous receipts*.—This subsection requires all proceeds from the transfer of excess property to a Federal agency or from the sale, lease, or other disposition of surplus property to be covered into the Treasury as miscellaneous receipts, with the exceptions noted in subsections (b), (c), and (d).

(b) *Crediting of reimbursable funds*.—This subsection provides that in cases where the property was acquired by funds either not appropriated from the general fund of the Treasury, or appropriated therefrom and by law reimbursable from assessments, taxes, or other revenues, the net proceeds of the disposition or transfer of such property shall be credited to the reimbursable fund or appropriation or paid to the Federal agency declaring such property excess. It further provides that the proceeds shall be credited to miscellaneous receipts if the agency declaring the property excess shall deem it uneconomical or impracticable to ascertain the amount of net proceeds.

(c) *Refunds to purchasers*.—This subsection provides that Federal agencies disposing of surplus property may deposit in a special account with the Treasury whatever amounts they deem necessary to permit refunds to purchasers when any disposition is rescinded, or

for breaches of warranty, and to withdraw the amounts so to be refunded or paid.

(d) *Proceeds from contractors' sales.*—This subsection recognizes that the contractual provisions authorizing the proceeds of sales of property to be credited to price or cost of the work covered by the contract, are controlling and are not subject to the requirements of the act relating to covering proceeds into the Treasury as miscellaneous receipts.

(e) *Management of credit and security.*—This subsection makes it clear that the Administrator is authorized to administer and manage any credit, lease, or permit, and security therefor, taken in connection with the disposition of surplus property, and authorizes him to enforce, adjust, and settle the rights of the Government with respect thereto.

Section 205. Policies, regulations, and delegations

(a) *Presidential policies.*—By reason of the impact of this legislation upon all agencies in the executive establishment, this subsection authorizes the President, if he deems it advisable, to prescribe over-all policies and directives to govern the Administrator of General Services and executive agencies in operations under this act.

(b) *Property accounting systems.*—This subsection requires the Comptroller General, after considering the needs and requirements of executive agencies, to prescribe principles and standards of accounting for property, to cooperate with the Administrator of General Services and the executive agencies in developing property accounting systems, to approve satisfactory systems, to examine agency systems to determine the extent of compliance with principles, standards, and approved systems, and to report to the Congress cases of failure to comply therewith or adequately to account for property.

This is more flexible and vests more authority in the operating agencies than the recent independent offices appropriations acts, which prohibit the several agencies there named from installing or maintaining any property accounting system not prescribed or approved by the Comptroller General. The committee urges cooperation between the Comptroller General and other agencies in order that operating needs and costs may be fully considered. This section applies to all executive departments and agencies, with the exception, as provided in section 502 (c), of corporations and agencies subject to the Government Corporation Control Act.

(c) *Regulations of the Administrator.*—This subsection requires the Administrator to prescribe regulations for the effectuation of his functions under the act, and also requires the head of each executive agency to issue such orders and directives as are necessary to carry out such regulations.

(d) *Delegations of authority.*—Under this subsection the Administrator may redelegate his authority excepting, however, the authority to issue policy regulations and the authority to make reorganizations within the General Services Agency.

(e) *Designation of other agencies.*—So as to provide the greatest use of existing personnel and facilities within established agencies, this subsection authorizes the Administrator to designate other executive agencies to perform various procurement, utilization, or disposal functions with the proviso that any such designation shall be made

only with the consent of the agency concerned or upon direction of the President.

This proviso would not apply to the authority of the Administrator to prescribe regulations and the duty of agency heads to implement them under subsection (c).

(f) *Transfer of personnel and funds.*—When any designation is made under subsection (d) the Administrator may, under this subsection, transfer funds and personnel to the affected executive agency.

(g) *Advisory committees.*—This subsection authorizes the Administrator to establish advisory committees to advise with him in carrying out his functions. Experience has demonstrated the value of such committees to Government officers where Government programs affect closely business and industry. Specific statutory authorization is necessary because of the prohibitions against unauthorized boards and commissions in title 31, United States Code, section 673, volume 35, Statutes at Large, page 1027. Compare also title 5, United States Code, section 83, volume 37, Statutes at Large, page 124, and title 31, United States Code, section 551, volume 49, Statutes at Large, page 19. Because of the better control over the membership and activities of industry committees which is possible when they are established pursuant to statute, it would be advisable to provide specifically for such committees even apart from these laws.

(h) *Consultation with other agencies.*—This subsection makes it mandatory for the Administrator to advise and consult with affected Federal agencies.

Section 206. Surveys and standardization

(a) *Surveys, supply catalog, and contract forms.*—This subsection authorizes the Administrator to survey Government property and management practices, to cooperate with executive agencies in the establishment of reasonable inventory levels and to report excessive stocking to the Congress and the Budget Bureau, to establish and maintain a uniform Federal supply catalog system, and to prescribe standardized purchases and contract forms, procedures, and specifications. Making surveys, requiring reports concerning Government property, and establishing inventory levels, with due regard for the requirements of agencies concerned, will obviously promote better supply practices, and indeed are indispensable if the powers under sections 201 and 202 are to be effectively exercised. The Administrator's reports on excessive stocking will enable the Appropriations Committees and Budget Bureau examiners to make suitable reductions in appropriations and estimates. The authority to standardize Government purchase and contract forms, procedures, and specifications has been in effect and in use for many years and is demanded by industry to make its relations with Government easier. It is confusing and costly, for example, to have a contract for a supply item, with one agency, different in meaning and effect from one for the same kind of item with another agency. Existing control over the standardization of the Government construction contract forms and leases is continued in effect by provision in section 502 (b).

A uniform Federal supply catalog system, which identifies and classifies personal property under the control of Federal agencies, is essential for a well-managed Federal supply system so that there may be a common supply language among all parties to a transaction. The catalog will ultimately mean large savings to the Government

through reducing inventories of parts and supplies. Without such a catalog, identical items are carried in stock under different designations, swelling inventories to needless size. This cannot be avoided until each item is described, classified, and given a number for identification, so that duplications can be spotted at once. The disposal of surplus Government personal property will thus likewise be speeded. Provision is made for coordinating catalog activities with those of the National Military Establishment.

This subsection makes it clear that the National Military Establishment and the Bureau of Federal Supply will continue to cooperate toward the development of a Federal catalog system, as requested by the President, in accordance with the agreement (appendix A) signed by them.

(b) *Catalog and specifications mandatory.*—Due to the savings resulting from common use of the uniform supply catalog system and of standard purchase specifications, this subsection requires executive agencies to use them as far as practicable when prescribed by the Administrator. It is contemplated that questions of practicability, where dispute arises, will be settled by the Administrator.

(c) *Audit of property accounts.*—This subsection requires the General Accounting Office to audit all types of property accounts and transactions, such audit to be conducted at the site when practicable of the property or records and to include an evaluation of the effectiveness of internal controls and audits and a general audit of the discharge of the duty to account for property.

Section 207. Applicability of antitrust laws

This section requires any executive agency in beginning negotiations for the disposal of any plant or other property costing \$1,000,000 or more, to seek advice of the Attorney General, and it shall be the duty of the Attorney General to advise the executive agency whether the proposed disposition of the property would tend to create or maintain a situation inconsistent with the antitrust laws. The executive agency must assist the Attorney General by furnishing him any requisite information it may possess essential to the Attorney General's determination. This section also provides that nothing in the act shall modify or limit the applicability of the antitrust laws to persons who acquire property under the provisions of the act.

In one respect the section is broader than a similar provision in the Surplus Property Act of 1944. It requires a determination by the Attorney General as to whether the proposed disposal would tend to create or maintain a situation inconsistent with the antitrust laws, while under existing law the determination is whether the proposed disposition will violate the antitrust laws.

Section 208. Employment of personnel

(a) *Civil-service laws.*—Employment of personnel is required by this subsection to be subject to the civil-service and classification laws.

(b) *Consultants.*—As an exception to the foregoing, this subsection grants to the Administrator limited authority to procure the temporary service of experts and consultants.

(c) *Officers of other agencies.*—The principal purpose of this subsection is to authorize the Administrator to utilize commissioned officers in the armed services with the consent of the head of the agency concerned.

Section 209. Civil remedies and penalties

(a) *Liability of Government employees.*—This subsection exempts officers and employees of the Government disposing of property under this act from liability with respect to such disposition, except for their own fraud, and from liability for the collection of any purchase price determined to be uncollectible. This provision is necessary because of the wide discretion which must be permitted persons charged with disposition under circumstances calling for swift action, and the tremendous volume of property covered by the act.

(b) *Civil penalties for fraud.*—This subsection deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities or conceal or misrepresent material facts or act with intent to defraud the United States, or who enter into an agreement or conspiracy, or cause other persons to do any of the foregoing. The United States is given the option of selecting among three different measures of damages—

1. Any person engaged in such activities can be sued for the sum of \$2,000, for each such act, plus twice the amount of the damage sustained by the United States, plus the cost of suit.

2. The United States may recover from such person the amount of consideration paid by it to such person, or twice the amount of consideration which such person agreed to give the United States.

3. The United States may keep the property acquired by reason of the above-described fraud, plus the consideration given to it for that property.

Section 210. Reports to Congress

This section requires the Administrator to submit to Congress in January of each year and at such other times as he may deem it desirable, a report regarding the administration of his functions under the act, together with any recommendations for amendments which he may deem appropriate.

TITLE III. PROCUREMENT PROCEDURE

This title follows in structure, and is identical in language, with the Armed Services Procurement Act with a few appropriate changes and omissions.

Section 301. Declaration of purpose

This section states that the purpose of title III is to facilitate the procurement of supplies and services.

Section 302. Application and procurement methods

(a) This subsection makes the provisions of title III applicable to purchases and contracts for supplies or services made by the General Services Agency either for its own use or otherwise, including centralized procurement. By delegation the Administrator may authorize any other civilian executive agency to use the procedure set forth in title III when such agency is designated to perform a central procurement function. In addition, authority to use the procedures set forth in title III may be delegated by the Administrator to another civilian executive agency in other cases where the Administrator determines that such delegation is advantageous to the Government

in terms of economy, efficiency, or national security. It is required that the Administrator's determination in such other cases set forth the circumstances upon which the determination is based. The terms "economy" and "efficiency" will be broad enough to cover cases where authority is delegated to negotiate contracts under 302 (c) (5) and 302 (c) (10) of this title. This title does not confer upon any civilian executive agency any vested right to receive such delegation. It is expected that such power of delegation will not be exercised indiscriminately but rather will be used with care and discretion. It is also expected that the Administrator will make periodic reviews to determine whether the authority so delegated has been properly used, and that he will either take such action as may be necessary to correct any misuse or will withdraw the delegation. After the Administrator has made such delegation he shall give notice thereof to the General Accounting Office.

(b) This subsection states the policy that a fair proportion of the total purchases and contracts shall be placed with small business concerns and further provides that notice of intent to negotiate shall be published in certain cases.

(c) Initially, this subsection reaffirms the basic principle that purchases and contracts shall be made by advertising. Negotiation is made permissible in certain excepted cases, however, to provide flexibility in Government procurement.

(1) This paragraph would permit automatic and immediate transition from more rigid peacetime advertising procedures to a completely flexible system if the President or the Congress declares the existence of a national emergency.

(2) This provision is an adaptation of a portion of section 3709 of the Revised Statutes as amended by section 9 (a) of the act of August 2, 1946 (60 Stat. 809; 41 U. S. C. 5). Whenever urgency requires an immediate purchase this exception would be available irrespective of whether the emergency could or should have been foreseen.

(3) This paragraph extends to the General Services Agency the power to negotiate if the aggregate amount involved does not exceed \$1,000. However, no delegation of such authority may be made to other executive agencies under this paragraph for purchases or contracts for supplies or services in excess of \$500 unless such purchasing or contracting is for centralized procurement.

(4) This provision permitting negotiation for personal or professional services is an adaptation of the exception from advertising provided by section 3709 of the Revised Statutes, as amended, hereinabove referred to.

(5) This paragraph would permit negotiation of contracts for technical assistance, expert study and the application of specialized knowledge to be performed by any university, college, or other educational institution. This would cover matters which might not clearly qualify as experimental, developmental, or research work under paragraph (10) of this section.

(6) Under this paragraph if supplies or services are to be procured and used outside the limits of the United States and its possessions the contracts or purchases may be negotiated. In such cases it is frequently impracticable or uneconomical to advertise.

(7) Due to the technical nature, special characteristics, and differing qualities of medicines and medical supplies it is sometimes extremely

difficult if not impossible to describe adequately in detailed specifications the exact characteristics of qualities needed. In such cases the need for negotiation is clear.

(8) Where supplies are purchased for authorized resale, the purchasing agency must accommodate the brand preference or the quality preference of the organization requesting the purchase. This paragraph therefore provides authority to negotiate such purchases.

(9) This paragraph provides for negotiation where it is impracticable to secure competition and places upon the agency concerned the maximum responsibility for decisions as to when it is impracticable. It is intended that this paragraph should be construed liberally.

(10) The very nature of a research and development contract does not ordinarily lend itself to formal advertising. This paragraph therefore provides that contracts for experimental, developmental, or research work or for the manufacture or furnishing of supplies for experimentation, development, research, or test may be negotiated and provides also for periodic reports to the Congress of action taken under this paragraph.

(11) It is provided that in cases where the purchase or contract should not be publicly disclosed negotiation may be employed. In such cases public disclosure through advertising would clearly be adverse to the interests of the Government.

(12) This paragraph permits negotiation of contracts for technical equipment in order to assure standardization of equipment and interchangeability of parts when such standardization and interchangeability is necessary in the public interest. It is intended that this authority should be used in special situations or in particular localities and such provision has been therefore added to the language as it appears in section 2 (c) (13) of the Armed Services Procurement Act of 1947. The paragraph would protect in every way possible the principles of competition and antimonopoly consistent with the occasional need for such standardization, and section 307 (b) of this title provides that the agency head may not delegate his responsibility for making any of the determinations required under this paragraph.

(13) Permits negotiation for supplies or services when it is determined that bid prices after advertising are not reasonable either as to all or some part of the requirements or have not been independently arrived at in open competition. It is designed to cope with cases including those where all bids received are too high, although not actually identical or apparently collusive. The committee believes that this paragraph will be most useful to break collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased; and similar other practices. Notification of the intention to negotiate after such advertising and reasonable opportunity to negotiate must be given to each responsible bidder and also the negotiated price must be the lowest negotiated price offered by any responsible supplier. This paragraph is a modification of paragraph 2 (c) (15) of the Armed Services Procurement Act of 1947. The modification will remove a restriction which in cases such as sudden upward market fluctuations might make it impossible to secure the needed supplies.

(14) This provision would preserve the authority to negotiate contracts conferred by other permanent legislation, for example, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50

U. S. C. 98-98h). This paragraph also has the effect of permitting negotiation under any relevant law which may be subsequently enacted whether said law is general or special legislation.

(d) The immediate furnishing of evidence of possible violations of the antitrust laws to the Department of Justice as required by this subsection will facilitate appropriate action where violations exist and will have a valuable moral effect on bidders. Compliance with this paragraph is not to be construed, however, as a condition precedent before exercise of the authority conferred by this title.

(e) For clarity this subsection provides that section 302 does not authorize or change the existing requirements for authorization for the erection or repair of buildings, roads, sidewalks, or similar items.

Section 303. Advertising requirements

(a) This section would establish broad standards for advertising, reserving appropriate discretion in the agency. It is considered both unnecessary and unwise to prescribe detailed and restrictive requirements, and it is believed that such matters should be left to be dealt with by regulation. The section provides that advertising shall be so conducted as to secure such full and free competition as is consistent with the procurement of types of supplies and services needed.

(b) This subsection provides for the public opening of bids and reaffirms the principles that the award shall be made to the responsible bidder whose bid is most advantageous to the Government, price and other factors considered, and that the Government may reject all bids when such action is deemed advisable. The question as to whether a particular bidder is a "responsible bidder" requires sound business judgment and involves evaluation of the bidder's experience, facilities, technical organization, reputation, financial resources, and other factors and a broad discretion is accordingly reserved to the agency with respect to the making of such determination.

Section 304. Requirements of negotiated contracts

(a) The right to use the most suitable type of contract is a necessary and inseparable adjunct to the right to negotiate and this subsection therefore permits negotiated contracts to be of any type which in the opinion of the agency head will promote the best interests of the Government, except as provided in subsection (b). Authority to negotiate contracts in the first instance carries with it equal authority to negotiate subsequent changes in the terms of negotiated contracts and such amendments may also be of such type as the agency head believes will promote the best interests of the Government. This subsection also provides that every negotiated contract shall contain a suitable warranty against contingent fees.

(b) This subsection prohibits the cost-plus-a-percentage-of-cost system of contracting and prescribes maximum fees in connection with cost-plus-a-fixed-fee contracts. Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract may be used unless it is determined that such method is likely to be less costly than other methods or that it is impracticable to secure supplies or services of the kind or quality without the use of such type of contract.

Section 305. Advance payments

(a) This permits the agency head to make advance payments under negotiated contracts upon adequate security if the agency head determines such payments to be in the public interest or in the interest

of the national defense and necessary and appropriate in order to procure the required supplies or services. This authority is essential in periods of emergency and in peacetime it is often the only way in which it can be made possible for a small business concern to handle Government contracts. Often institutions of learning, research laboratories, inventors, and similar contractors who perform most of the experimental, research, and developmental contracts need advance payments because they do not have sufficient funds to finance or are unwilling to finance such contracts completely out of their own resources. The power to make advance payments is permissive only, and under section 307 (b) of this title may not be delegated by the agency head.

(b) The additional form of security by way of lien which is provided for by this subsection is a permissive feature which may be very useful, especially in the event that a joint bank account, a controlled account, or a special bank account is established in connection with an advance payment.

Section 306. Waiver of liquidated damages

This section permits the Comptroller General, in his discretion, upon proper recommendation by the agency concerned, to remit sums due the Government under contract terms providing for the assessment of liquidated damages for a delay in performance. This will permit the Comptroller General to meet those situations in which the strict application of the liquidated damages provisions would be inequitable either in whole or in part and regardless of whether timely notice is given with respect to the delay.

Section 307. Administrative determinations and delegations

(a) This subsection provides that the determinations and decisions to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts and that such determinations and decisions shall be final. It allows delegation by the agency head except in those cases designated in subsection (b) of this section. The determinations and decisions so made will not be made subject to invalidation or challenge by the Comptroller General or the courts. However, the broader the power or the more important the decision or determination, the higher the level at which the decision or determination will be made.

(b) This subsection prohibits the agency head from delegating the power to make the determinations or decisions specified in paragraphs 11 and 12 of section 302 (c), which concern respectively contracts which should not be publicly disclosed and standardization of technical equipment and in section 305 (a), concerning the making of advance payments. This subsection also restricts the power of the agency head to make the decision or determinations specified in paragraph (10) of section 302 (c) which concerns experimental, developmental, or research contracts. Furthermore, under this subsection the Administrator's power to delegate to another civilian executive agency the right to use the authority provided under title III can be delegated by the Administrator only to the Deputy Administrator of the General Services Agency or to the chief official of any principal organizational unit of the General Services Agency. It is believed that such power to confer authority upon another civilian agency

should be exercised only at a high level within the General Services Agency.

(c) As a further safeguard this subsection requires that determinations or decisions concerning research and development contracts, contracts which should not be publicly disclosed, standardization of technical equipment, and negotiation after advertising, the type of contract to be used and the making of advance payments shall be based upon written findings, that these findings shall be final, and shall be available within the agency for at least 6 years after making such determination. Furthermore, it provides that a copy of the findings shall be furnished to the General Accounting Office with the contract.

(d) Data with respect to negotiation is required to be preserved in the agency for 6 years following final payment on the contract except where negotiation is pursuant to public exigency, a dollar amount, for personal or professional services, for services to be rendered by an educational institution, or for supplies or services which are to be purchased and used outside the limits of the United States or its possessions.

Section 308. Statutes continued in effect

This section provides that contracts executed under this title shall not be exempt from the provisions of the Walsh-Healey Act, the Davis-Bacon Act, or the 8-hour law by reason of their having been entered into by negotiation.

Section 309. Definitions

(a) This subsection defines the term "agency head" as used in title III to mean the head, or an assistant head of any executive agency, and provides that the term may at the option of the Administrator include the chief official of any principal organizational units of the General Services Agency. This is deemed salutary in order to reserve the power of determination and decision at an adequately high level, and at the same time to designate the officials intended to be covered.

(b) This subsection defines supplies to include all property except land, and to include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, vessels, aircraft, parts accessories, equipment, machine tools, and alteration or installation thereof. These illustrations are intended only as examples and the committee has attempted to meet present and future contingencies.

Section 310. Statutes not applicable

This section provides that the following acts shall not be applicable to the procurement of supplies or services by the General Services Agency:

Revised Statutes, section 3709, as amended, which concerns formal advertising;

Revised Statutes, section 3735, which prohibits the making of contracts for "stationery or other supplies" for more than 1 year; and

Sections 1 and 2 of the act of October 10, 1940, which set forth certain specific exemptions from Revised Statutes, section 3709, which are not in harmony with this title.

These statutes would also be suspended for procurement made by another civilian executive agency, under proper delegation of authority made by the Administrator and solely within the scope of that authority, and such suspension would be limited to the extent and within the purview of the authority thus delegated.

TITLE IV. FOREIGN EXCESS PROPERTY

Section 401. Disposal of foreign excess property

This section generally provides that, except where commitments exist under previous agreements, all excess property located in foreign areas shall be disposed of by the owning agency. The head of the agency in question is directed to conform to the foreign policy of the United States in making such disposals. The section provides further that the Secretary of State shall continue to administer existing agreements with respect to the disposal of foreign excess property and shall have authority to amend, modify, and renew such agreements in order to carry on the foreign educational exchange program and the purposes of the Foreign Service Buildings Act and to provide local currencies under procedures established by the Secretary of the Treasury for the payment of expenses of the United States in the country in question.

Section 402. Methods and terms of disposal

This section authorizes disposals of foreign excess property under terms similar to those in the Surplus Property Act of 1944, as amended, under which foreign disposals are currently being made. Foreign excess property may be disposed of by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper. Such property may be disposed of for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Disposals may be made without advertising when the head of the executive agency finds such a course to be most practicable and to be most advantageous to the Government. Sales of agricultural commodities, food, or cotton or woolen goods must include a condition forbidding importation into the United States unless the Secretary of Agriculture determines that such property is in short supply in this country. The head of the executive agency responsible for disposal may execute the documents necessary to transfer the interest of the United States in the property and may authorize abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated costs of care and handling of which would exceed the estimated proceeds of sale.

Section 403. Proceeds; foreign currencies

This section provides that the proceeds from sales of foreign excess property shall, if in the form of foreign currencies or credits, be administered in accordance with procedures prescribed by the Secretary of the Treasury and shall, if in United States currency or when reduced to United States currency, be covered into the Treasury as miscel-

laneous receipts. The provisions of section 204 (b) relating to reimbursable funds or appropriations shall apply to proceeds of foreign excess property under this title. The section further provides that any executive agency disposing of surplus property under this title may establish a special account with the Treasurer of the United States from which appropriate refunds to purchasers may be made.

Section 404. Miscellaneous provisions

(a) *Presidential policies.*—The President is granted general authority to prescribe policies deemed necessary to execute the provisions of this title.

(b) *Delegation of authority.*—Any authority conferred upon any executive agency under this title may be delegated and successive redelegations authorized by the head of such agency to any official in such agency or to the head of another executive agency.

(c) *Employment of personnel.*—The head of each executive agency responsible for the disposal of excess property hereunder may, subject to the civil-service and classification laws, appoint and fix the compensation of necessary personnel and without regard to the civil-service and classification laws appoint and fix the compensation of personnel outside the continental limits of the United States as may be necessary to carry out his functions.

(d) *Reports to Congress.*—Each agency responsible for foreign disposal shall make annual reports to Congress relative to its activities under this title.

(e) *Transfer of personnel, funds, etc.*—Such records, property, personnel obligations, commitments, and unexpended balances of appropriations, allocations, and other funds as are determined by the Director of the Bureau of the Budget to relate to the functions transferred to another executive agency under this title shall be transferred from the Department of State to that agency.

TITLE V. GENERAL PROVISIONS

Section 501. Applicability of existing procedures

This section continues in effect all existing policies and procedures until superseded or amended under authority of the act.

Section 502. Repeal and saving provisions

(a) *Repeal of Surplus Property Act, certain exceptions.*—This subsection repeals all the Surplus Property Act of 1944 except (i) sections 13 (g) and (h), relating to transfers for education and health, the airport program, and parks, recreation, and historic monuments and section 32 (b) (2) relating to the foreign-scholarship program, all of which are retained as permanent legislation; and (ii) section 28 suspending a statute of limitations. The provisions of the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, 80th Cong.), as amended, abolishing the War Assets Administration as of June 30, 1949, and assigning its property-disposal functions to several different agencies, are likewise repealed, as are two statutes authorizing the armed services to donate obsolete personal property for educational purposes. The latter statutes were superseded by Public Law 889, Eightieth Congress, which is likewise repealed, since it will be superseded by the donation provisions in section 203 (j). This subsection also repeals parts of some 23 statutes relating to use

of trade-in allowances which will be superseded by section 201 (e). Finally, this subsection repeals section 4 of the act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7), concerning the General Supply Committee; the act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d), concerning central procurement by the Secretary of the Treasury and authorizing the establishment and use of the general supply fund; and section 1 of the act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1), covering the use of the general supply fund for the operation of the Government fuel yards. These provisions will be superseded upon the enactment of the general scheme of Government procurement contemplated in this bill which will more effectively accomplish the same objectives.

(b) *Repeal of Executive Order 6166.*—This subsection supersedes Executive Order 6166 so far as it relates to the Bureau of Federal Supply, except for the functions reserved with respect to standardizing contract forms, such as the lease and the construction contract form.

(c) *Declaration of additional authority.*—By this subsection the authority conferred by the act is declared supplemental and not subject to other legislation.

(d) *Special exemptions from the act.*—This subsection exempts from operations under the act a number of activities requiring special treatment. Chief among these are programs for price support, stabilization, grants to farmers, and foreign aid; procurement procedures under the Armed Services Procurement Act of 1947 (this statute is concerned only with procedures and it is not intended by its inclusion in this subsection to grant any exemption from the substantive provisions of the bill); the stock piling of critical materials; the national school-lunch program; the Housing and Home Finance Agency with respect to the disposal of residential property; and the Atomic Energy Commission.

(e) *Limitation on open-market purchases.*—This subsection amends section 3709 of the Revised Statutes as amended by raising from \$100 to \$500 the limit on the amount that can be expended in an open-market purchase without advertising or bidding.

(f) This subsection from the standpoint of management should become one of the important parts of the bill. The bill as written specifically repeals 28 statutes. There are several hundred more statutes which relate to the subject matter of this bill and this subsection requires the Administrator to thoroughly study these and report to the Congress those which are obsolete and should be repealed.

Section 503. Authorization for appropriations and transfer authority

(a) *Authorization for appropriations.*—This subsection authorizes appropriations generally without specification as to amount.

(b) *Transfer authority.*—Under this subsection an executive agency may use for care and handling of property funds heretofore appropriated to it for purposes contemplated by sections 201, 202, 203, and 204 of the act.

Section 504. Separability

Each provision of the act is declared separable so far as validity is concerned.

Section 505. Effective date

The effective date of the act is established as July 1, 1949, except that one clause relating to the War Assets Administration is made effective June 30.

APPENDIX A

STATEMENT OF AGREEMENT BETWEEN THE MUNITIONS BOARD, NATIONAL DEFENSE ESTABLISHMENT, AND THE BUREAU OF FEDERAL SUPPLY, DEPARTMENT OF THE TREASURY, ON PROCEDURES FOR THE DEVELOPMENT OF A UNIFORM FEDERAL CATALOG SYSTEM

The Munitions Board Cataloging Agency has embarked upon a comprehensive 3-year program to provide a uniform catalog system for all items of armed services supply. This program was initiated in recognition of the urgent military need for a common language for supply activities. The Bureau of Federal Supply has been active in the planning for a Federal catalog system in compliance with Presidential directives and its basic responsibility for the development and maintenance of the Federal Standard Stock Catalog. This planning was participated in by the Military Establishment and several of the larger civil establishments. There is now pending before the Congress a bill to reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes, which provides, among other things, for the transfer of the Bureau of Federal Supply to the Federal Works Agency and authorizes the Federal Works Administrator "As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense * * * to establish and maintain such uniform Federal supply catalog system to identify and classify personal property under the control of Federal agencies as may be appropriate * * *." Also "each executive agency shall utilize such uniform Federal supply catalog system and standard purchase specifications as far as practicable, taking into consideration efficiency, economy, and other interests of the Government."

Pending action of the Congress on the above bill, it is recognized that the interests of the Federal Government can best be served through continuing close cooperation and working contacts between the cataloging activities of the civil and military establishments. To this end the following agreements have been reached between the Munitions Board and the Bureau of Federal Supply:

(1) That the present plans and procedures of the Munitions Board Cataloging Agency are satisfactory for initiating Federal catalog operations. It is understood that the agency is further developing the elements of cataloging in accordance with the basic principles developed under the sponsorship of the United States Standard Commodity Catalog Board;

(2) That certain revisions and expansions in plans and procedures must be made as work progresses to provide for the requirements of civilian agencies;

(3) That the question of classification will require close coordination with the civilian agencies and the Munitions Board Cataloging Agency in order to develop a commodity supply classification system which will be practical and workable for all organizations;

(4) That any civilian agency having major supply problems should be represented on the Technical Group of the Munitions Board Cataloging Agency. The Bureau of Federal Supply will, with the concurrence of the Bureau of the Budget, develop recommendations to the Cataloging Agency as to the agencies which should be represented;

(5) That the Bureau of Federal Supply shall have one member and one alternate on the Executive Group of the Munitions Board Cataloging Agency, for representation of civilian agencies.

(6) That after completion of the current "3-year program" of the Munitions Board Cataloging Agency, the respective future responsibilities of the Agency and the Bureau of Federal Supply would, in the absence of legislative direction, be determined by agreement between the Secretary of Defense and the Secretary of the Treasury;

(7) That the Bureau of Federal Supply will be responsible for such coordination as will assure that cataloging developments initiated by the Munitions Board Cataloging Agency are made available to interested civil establishments.

June 3, 1948.

(Signed) CLIFTON E. MACK,
Bureau of Federal Supply, Treasury Department.

MAY 14, 1948.

(Signed) Maj. Gen. PATRICK W. TIMBERLAKE,
Munitions Board.

THE WHITE HOUSE,
Washington, January 18, 1945.

HON. HAROLD D. SMITH,
Director, Bureau of the Budget, Washington, D. C.

MY DEAR MR. SMITH: I think it important that the executive departments and agencies develop more systematic records and procedures for use in all transactions requiring a description of items of real and personal property. The large number of actions relating to the acquisition, care, use, and disposal of Federal property has greatly accentuated the need for this improvement in governmental practices, both for the effective prosecution of the war and for the more orderly conduct of peacetime affairs. Such records and procedures should be developed by the several departments and agencies chiefly concerned in accordance with a uniform central plan developed by you. This plan should include a uniform property classification and a uniform item identification system, covering all commodities, which together might be known as the United States standard commodity catalog.

Accordingly, it is my desire that you proceed without delay to secure the preparation and maintenance of such a catalog, utilizing all relevant systems and methods now in use by the Government to the extent that they conform with the central plan, and utilizing also the facilities and services of the agencies principally concerned. It is my wish, and I hereby request, that each department and agency shall assume such share of the work and responsibility as you may determine. Any necessary costs to the several departments and agencies beyond those they are now incurring for similar activities should be included in additional estimates of appropriations.

When the standard commodity catalog or any part of it is ready for use it should be promulgated by you for use throughout the Government in all relevant activities involving the procurement, storage, issue, disposal, or intra-Government transfer of property, the listing or cataloging of property, and the collection and tabulation of commodity information.

Pending the formalizing of these instructions in an Executive order, I wish you would convey to all departments and agencies my instructions regarding this matter and take whatever steps are necessary to develop and maintain the catalog.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, July 15, 1946.

HON. PAUL H. APPLERY,
Acting Director, Bureau of the Budget, Washington 25, D. C.

MY DEAR MR. APPLERY: I have your memorandum with reference to the general plan for the development and maintenance of a Federal catalog system which would standardize for all agencies the classification and item numbering of property purchased by the Federal Government. I agree with you that the proposed unified system will result in significant improvements and economies in supply operations of the Government.

Pending further study of some features of the proposed plan, including the need for legislation and the budget that should be sought, I desire that further development of the Federal catalog system be continued through interdepartmental cooperation and joint working arrangements. I concur in your recommendation that the United States Standard Commodity Catalog Board, which has been advising you on this matter, should continue its work, under your general supervision. The Board should complete the development of all phases of the uniform plan and coordinate with this plan the cataloging activities of the agencies chiefly concerned.

I request that you arrange with the Secretary of the Treasury for the Procurement Division to organize a central staff to assist the Board in developing the details of the uniform system and in the work required for the coordination of agency cataloging activities with this system. I further request that you advise the Secretary of War and the Secretary of the Navy, together with the heads of such other departments and agencies as you may determine, of my desire that the cataloging operations of these agencies be continued and that they be conducted in conformity with the plans for the Federal catalog system. The services performed by the central staff established in the Procurement Division will thereby be utilized in the cataloging operations of these departments and agencies. Those departments and agencies utilizing such services should reimburse the Procurement Division therefor from their regular appropriations.

Sincerely yours,

HARRY S. TRUMAN.

81ST CONGRESS
1ST SESSION

[Report No. 475]

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, reported the following bill; which was read twice and placed on the calendar

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

4 That this Act may be cited as the “Federal Property
5 and Administrative Services Act of 1949”.

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

Sec. 101. General Services Agency.

Sec. 102. Abolition of Bureau of Federal Supply and transfer of contract settlement functions.

Sec. 103. Transfer of affairs of the Federal Works Agency.

Sec. 104. Records management ; transfer of the National Archives.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.
- Sec. 106. Redistribution of functions.
- Sec. 107. Transfer of funds.
- Sec. 108. Status of transferred employees.
- Sec. 109. General supply fund.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
Sec. 202. Property utilization.
Sec. 203. Disposal of surplus property.
Sec. 204. Proceeds from transfer or disposition of property.
Sec. 205. Policies, regulations, and delegations.
Sec. 206. Surveys and standardization.
Sec. 207. Applicability of antitrust laws.
Sec. 208. Employment of personnel.
Sec. 209. Civil remedies and penalties.
Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
Sec. 402. Methods and terms of disposal.
Sec. 403. Proceeds; foreign currencies.
Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

1 DECLARATION OF POLICY

2 SEC. 2. It is the intent of the Congress in enacting this
3 legislation to provide for the Government an economical and

1 efficient system for (a) the procurement and supply of per-
2 sonal property and nonpersonal services, including related
3 functions such as contracting, inspection, storage, issue, speci-
4 fications, property identification and classification, transporta-
5 tion and traffic management, management of public utility
6 services, repairing and converting, establishment of inventory
7 levels, establishment of forms and procedures, and representa-
8 tion before Federal and State regulatory bodies; (b) the
9 utilization of available property; (c) the disposal of surplus
10 property; and (d) records management.

11 DEFINITIONS

12 SEC. 3. As used in this Act—

13 (a) The term “executive agency” means any executive
14 department or independent establishment in the executive
15 branch of the Government, including any wholly owned Gov-
16 ernment corporation.

17 (b) The term “Federal agency” means any executive
18 agency or any establishment in the legislative or judicial
19 branch of the Government.

20 (c) The term “Administrator” means the Administrator
21 of General Services provided for in title I hereof.

22 (d) The term “property” means any interest in prop-
23 erty of any kind except (1) the public domain and lands
24 reserved or dedicated for national forest or national park

1 purposes; and (2) naval vessels of the following categories:
2 Battleships, cruisers, aircraft carriers, destroyers, and sub-
3 marines.

4 (e) The term "excess property" means any property
5 under the control of any Federal agency which is not required
6 for its needs and the discharge of its responsibilities, as
7 determined by the head thereof.

8 (f) The term "foreign excess property" means any
9 excess property located outside the continental United
10 States, Hawaii, Alaska, Puerto Rico, and the Virgin
11 Islands.

12 (g) The term "surplus property" means any excess
13 property not required for the needs and the discharge of
14 the responsibilities of the Federal Government, as deter-
15 mined by the Administrator.

16 (h) The term "care and handling" includes complet-
17 ing, repairing, converting, rehabilitating, operating, pre-
18 serving, protecting, insuring, packing, storing, handling, con-
19 serving, and transporting excess and surplus property, and, in
20 the case of property which is dangerous to public health or
21 safety, destroying or rendering innocuous such property.

22 (i) The term "person" includes any corporation, part-
23 nership, firm, association, trust, estate, or other entity.

24 (j) The term "nonpersonal services" means such con-

1 tractual services, other than personal and professional
2 services, as the Administrator shall designate.

3 (k) The term "contractor inventory" means (1)
4 any property acquired by and in the possession of a con-
5 tractor or subcontractor under a contract pursuant to the
6 terms of which title is vested in the Government, and in
7 excess of the amounts needed to complete full performance
8 under the entire contract; and (2) any property which
9 the Government is obligated to take over under any type
10 of contract as a result either of any changes in the speci-
11 fications or plans thereunder or of the termination of such
12 contract (or subcontract thereunder), prior to completion
13 of the work, for the convenience or at the option of the
14 Government.

15 TITLE I—ORGANIZATION

16 GENERAL SERVICES AGENCY

17 SEC. 101. (a) There is hereby established an agency
18 in the executive branch of the Government which shall be
19 known as the General Services Agency.

20 (b) There shall be at the head of the General Services
21 Agency an Administrator of General Services who shall be
22 appointed by the President by and with the advice and
23 consent of the Senate, and perform his functions subject to
24 the direction and control of the President.

1 (c) There shall be in the General Services Agency a
2 Deputy Administrator of General Services who shall be
3 appointed by the Administrator of General Services.
4 The Deputy Administrator shall perform such functions
5 as the Administrator shall designate and shall be Acting
6 Administrator of General Services during the absence or
7 disability of the Administrator and, unless the President
8 shall designate another officer of the Government, in the
9 event of a vacancy in the office of Administrator.

10 (d) Pending the first appointment of the Administrator
11 under the provisions of this section, his functions shall be
12 performed temporarily by such officer of the Government
13 in office upon or immediately prior to the taking of effect
14 of the provisions of this Act as the President shall designate.

15 (e) The President is authorized to fix the compensa-
16 tion of the Administrator, the Deputy Administrator, and
17 of the heads and assistant heads of the principal organiza-
18 tional units of the General Services Agency at such rates
19 (not in excess of \$15,000 per annum) as he shall deem
20 to be commensurate with the responsibilities and duties
21 of their respective offices.

22 ABOLITION OF BUREAU OF FEDERAL SUPPLY AND TRANSFER
23 OF CONTRACT SETTLEMENT FUNCTIONS

24 SEC. 102. (a) The functions of the Bureau of Federal
25 Supply in the Department of the Treasury and its records,

1 property, personnel, obligations, and commitments, are
2 hereby transferred to the Administrator of General Services,
3 together with such additional records, property, and per-
4 sonnel of the Department of the Treasury as the Director of
5 the Bureau of the Budget shall determine to relate primarily
6 to functions transferred by this section or vested in the
7 Administrator by titles II, III, and V of this Act. The
8 functions of the Director of the Bureau of Federal Supply,
9 and the functions of the Secretary of the Treasury, relating
10 to the Bureau of Federal Supply and the Director thereof,
11 are hereby transferred to the Administrator. The Bureau
12 of Federal Supply and the office of the Director of the Bureau
13 of Federal Supply are hereby abolished.

14 (b) The functions of the Director of Contract Settle-
15 ment and of the Office of Contract Settlement, transferred
16 to the Secretary of the Treasury by Reorganization Plan
17 Numbered 1 of 1947, are transferred to the Administrator
18 and shall be performed by him or, subject to his direction
19 and control, by such officers and agencies of the General
20 Services Agency as he may designate. The Contract Set-
21 tlement Act Advisory Board created by section 5 of the
22 Contract Settlement Act of 1944 (58 Stat. 649) and the
23 Appeal Board established under section 13 (d) of that Act
24 are transferred from the Department of the Treasury to the
25 General Services Agency, but the functions of these Boards

1 shall be performed by them, respectively, under con-
2 ditions and limitations prescribed by law. There shall
3 also be transferred to the General Services Agency such
4 records, property, personnel, obligations, commitments, and
5 unexpended balances (available or to be made available)
6 of appropriations, allocations, and other funds of the Treas-
7 ury Department as the Director of the Bureau of the Budget
8 shall determine to relate primarily to the functions trans-
9 ferred by the provisions of this subsection.

10 (c) Any other provision of this section notwithstanding,
11 there may be retained in the Department of the Treasury
12 any function referred to in subsection (a) of this section
13 which the Director of the Bureau of the Budget shall, within
14 ten days after the effective date of this Act, determine to be
15 essential to the orderly administration of the affairs of the
16 agencies of such Department, other than the Bureau of Fed-
17 eral Supply, together with such records, property, personnel,
18 obligations, commitments, and unexpended balances of ap-
19 propriations, allocations, and other funds, available or to be
20 made available, of said Department, as said Director shall
21 determine.

22 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

23 SEC. 103. (a) There are hereby transferred to the
24 General Services Agency the Public Roads Administra-
25 tion and its functions, records, property, personnel,

1 obligations, and commitments. All other functions, records,
 2 property, personnel, obligations, and commitments of the
 3 Federal Works Agency, of the Federal Works Administrator,
 4 and of the Commissioner of Public Buildings are hereby
 5 transferred to the Administrator of General Services.

6 (b) There are hereby abolished the Federal Works
 7 Agency, the Public Buildings Administration, the office of
 8 Federal Works Administrator, the office of the Commissioner
 9 of Public Buildings, and the office of Assistant Federal
 10 Works Administrator.

11 (c) Without regard to the provisions of section 103 (b),
 12 the President may continue, for such duration as he shall
 13 determine, as a constituent agency of the General Services
 14 Agency, the heretofore existing Bureau of Community
 15 Facilities of the Federal Works Agency.

16 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL
 17 ARCHIVES

18 SEC. 104. (a) The National Archives Establishment
 19 and its functions, records, property, personnel, obligations,
 20 and commitments are hereby transferred to the General
 21 Services Agency. There are transferred to the Administra-
 22 tor (1) the functions of the Archivist of the United States,
 23 except that the Archivist shall continue to be a member or
 24 chairman, as the case may be, of the bodies referred to in
 25 subsection (b) of this section, and (2) the functions of the

1 Director of the Division of the Federal Register of the
2 National Archives Establishment. The Archivist of the
3 United States shall hereafter be appointed by the
4 Administrator.

5 (b) There are also transferred to the General Services
6 Agency the following bodies, together with their respective
7 functions: (1) The National Archives Council and the Na-
8 tional Historical Publications Commission, established by the
9 Act of June 19, 1934 (48 Stat. 1122), (2) the National
10 Archives Trust Fund Board, established by the Act of July
11 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the
12 Franklin D. Roosevelt Library, established by the Joint
13 Resolution of July 18, 1939 (53 Stat. 1062), and (4) the
14 Administrative Committee established by section 6 of the
15 Act of July 26, 1935 (49 Stat. 501), which shall hereafter
16 be known as the Administrative Committee of the Federal
17 Register. The authority of the Administrator under section
18 106 hereof shall not extend to the bodies or functions affected
19 by this subsection.

20 (c) The Administrator is authorized (1) to make sur-
21 veys of Government records and records management and
22 disposal practices and obtain reports thereon from Federal
23 agencies; (2) to promote, in cooperation with the executive
24 agencies, improved records management practices and con-
25 trols in such agencies, including the central storage or disposi-

tion of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR

ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Agency. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services

1 Agency, and with the approval of the Director of the Bureau
2 of the Budget to make appropriate transfers of funds in
3 connection therewith.

4 TRANSFER OF FUNDS

5 SEC. 107. (a) All unexpended balances of appropriations,
6 allocations, or other funds available or to be made available,
7 for the use of the Bureau of Federal Supply, the War Assets
8 Administration, the Federal Works Agency, and the Na-
9 tional Archives Establishment, and so much of the other
10 unexpended balances of appropriations, allocations, or other
11 funds of the Department of the Treasury, available or to be
12 made available, as the Director of the Bureau of the Budget
13 shall determine to relate primarily to functions transferred
14 to or vested in the Administrator by the provisions of this
15 Act, shall be transferred to the General Services Agency
16 for use in connection with the functions to which such bal-
17 ances relate, respectively.

18 (b) When other functions are transferred to the Gen-
19 eral Services Agency from any Federal agency, there shall
20 be transferred such records, property, personnel, appropri-
21 ations, allocations, and other funds of such agency to the
22 General Services Agency as the Director of the Bureau of
23 the Budget shall determine to relate primarily to the func-
24 tions so transferred.

1 STATUS OF TRANSFERRED EMPLOYEES

2 SEC. 108. Subject to other provisions of this title relating
3 to personnel, employees transferred by the provisions of this
4 title shall be deemed to be employees of the General Services
5 Agency, and their reappointment shall not be required by
6 reason of the enactment of this Act.

7 GENERAL SUPPLY FUND

8 SEC. 109. (a) There is hereby authorized to be set
9 aside in the Treasury a special fund which shall be known
10 as the General Supply Fund. Such fund shall be composed
11 of the assets of the general supply fund (including any
12 surplus therein) created by section 3 of the Act of Feb-
13 ruary 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and
14 transferred to the Administrator by section 102 of this Act,
15 and such sums as may be appropriated thereto, and the
16 fund shall assume all of the liabilities, obligations, and com-
17 mitments of the general supply fund created by such Act
18 of February 27, 1929. The capital of the General Supply
19 Fund shall be in an amount not greater than \$100,000,000.
20 The General Supply Fund shall be available for use by or
21 under the direction and control of the Administrator (1)
22 for procuring personal property (including the purchase
23 from or through the Public Printer of standard forms and

1 blankbook work for field warehouse issue) and nonpersonal
2 services for the use of Federal agencies in the proper dis-
3 charge of their responsibilities, and (2) for paying all ele-
4 ments of cost of the procurement, handling, and distribution
5 thereof, except that on and after July 1, 1950, those elements
6 of cost which are determined by the Administrator with the
7 approval of the Director of the Bureau of the Budget to be
8 indirect or overhead costs shall not be paid from the fund.

9 (b) Payment by requisitioning agencies shall be at
10 prices fixed by the Administrator. Until July 1, 1950, such
11 prices shall be fixed in accordance with law and regulations
12 applicable on the date of enactment of this Act to prices
13 fixed by the Director of the Bureau of Federal Supply. On
14 and after such date, such prices shall be fixed at levels so
15 as to recover so far as practicable all costs except those
16 which are determined by the Administrator with the approval
17 of the Director of the Bureau of the Budget to be indirect
18 or overhead costs. Requisitioning agencies shall pay by
19 advance of funds in all cases where it is determined by the
20 Administrator that there is insufficient capital otherwise avail-
21 able in the General Supply Fund. Advances of funds also
22 may be made by agreement between the requisitioning agen-
23 cies and the Administrator. Where an advance of funds
24 is not made, requisitioning agencies shall promptly reimburse
25 the General Services Agency on vouchers prepared by the

1 requisitioning agency on the basis of itemized invoices sub-
2 mitted by the Administrator and receiving reports evidencing
3 the delivery to the requisitioning agency of such supplies or
4 services: *Provided*, That in any case where payment shall
5 not have been made by the requisitioning agency within
6 forty-five days after the date of billing by the Administrator,
7 reimbursement may be obtained by the Administrator by the
8 issuance of transfer and counterwarrants supported by item-
9 ized invoices.

10 (c) The General Supply Fund shall be credited with all
11 reimbursements, advances of funds, and refunds or recoveries
12 relating to supplies or services procured through the fund,
13 including the net proceeds of disposal of surplus supplies
14 procured through the fund and receipts from carriers and
15 others for loss of, or damage to, supplies procured through
16 the fund; and the same are hereby reappropriated for the
17 purposes of the fund.

18 (d) A special deposit account may be established as a
19 part of the General Supply Fund with the Treasurer of the
20 United States for use by the chief disbursing officer or any
21 regional disbursing officer, Department of the Treasury,
22 which may be credited with (1) funds advanced from the
23 General Supply Fund account on the books of the Division
24 of Bookkeeping and Warrants and (2) other funds properly
25 for credit to the General Supply Fund without being covered

1 into the Treasury of the United States; and such special
2 deposit account may be charged with payments properly
3 chargeable to the General Supply Fund.

4 (e) The Comptroller General of the United States shall
5 make an annual audit of the General Supply Fund as of
6 June 30, and there shall be covered into the United States
7 Treasury as miscellaneous receipts any surplus found therein,
8 all assets, liabilities, and prior losses considered, above the
9 amounts transferred or appropriated to establish and main-
10 tain said fund, and the Comptroller General shall report
11 to the Congress annually the results of the audit, together
12 with such recommendations as he may have regarding the
13 status and operations of the fund.

14 (f) Subject to the requirements of subsections (a) to
15 (e), inclusive, of this section, the General Supply Fund
16 also may be used for the procurement of supplies and non-
17 personal services authorized to be acquired by mixed-own-
18 ership Government corporations, or by the municipal
19 government of the District of Columbia, or by a requisitioning
20 non-Federal agency when the function of a Federal agency
21 authorized to procure for it is transferred to the General
22 Services Agency: *Provided*, That the prices charged by the
23 Administrator in such cases shall be fixed at levels which
24 he estimates will be sufficient to recover, in addition to the
25 direct costs of the procurement, handling, and distribution

1 of such supplies and services, the indirect and overhead
2 costs that the Administrator determines are allocable
3 thereto.

4 TITLE II—PROPERTY MANAGEMENT

5 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

6 SEC. 201. (a) The Administrator shall, in respect of
7 executive agencies, and to the extent that he determines
8 that so doing is advantageous to the Government in
9 terms of economy, efficiency, or service, and with due
10 regard to the program activities of the agencies concerned—

11 (1) prescribe policies and methods of procurement
12 and supply of personal property and nonpersonal serv-
13 ices, including related functions such as contracting,
14 inspection, storage, issue, specifications, property iden-
15 tification and classification, transportation and traffic
16 management, management of public utility services, and
17 repairing and converting; and

18 (2) operate, and, after consultation with the execu-
19 tive agencies affected, consolidate, take over, or arrange
20 for the operation by any executive agency of ware-
21 houses, supply centers, repair shops, fuel yards, and
22 other similar facilities; and

23 (3) procure and supply personal property and
24 nonpersonal services for the use of executive agencies

1 in the proper discharge of their responsibilities, and
2 perform functions related to procurement and supply
3 such as those mentioned above in subparagraph (1):

4 *Provided*, That contracts for public utility services may
5 be made for periods not exceeding ten years; and

6 (4) with respect to transportation and other
7 public utility services for the use of executive agencies,
8 represent such agencies in negotiations with carriers
9 and other public utilities and in proceedings involving
10 carriers or other public utilities before Federal and
11 State regulatory bodies;

12 *Provided*, That the Secretary of Defense may from time
13 to time, unless the President shall otherwise direct, exempt
14 the National Military Establishment from action taken or
15 which may be taken by the Administrator under clauses (1),
16 (2), (3), and (4) above whenever he determines such
17 exemption to be in the best interests of national security.

18 (b) The Administrator shall as far as practicable provide
19 any of the services specified in subsection (a) of this section
20 to any other Federal agency, mixed ownership corporation
21 (as defined in the Government Corporation Control Act), or
22 the District of Columbia, upon its request.

23 (c) In acquiring personal property, any executive
24 agency, under regulations to be prescribed by the Adminis-
25 trator, may exchange or sell similar items (provided that

1 such items are exchanged as a general practice in trade chan-
2 nels), and may apply the exchange allowance or proceeds
3 of sale in such cases in whole or in part payment for the
4 property acquired: *Provided*, That any transaction carried
5 out under the authority of this subsection shall be evidenced
6 in writing.

7 PROPERTY UTILIZATION

8 SEC. 202. (a) In order to minimize expenditures for
9 property, the Administrator shall prescribe policies and
10 methods to promote the maximum utilization of excess prop-
11 erty by executive agencies, and he shall provide for the
12 transfer of excess property among Federal agencies.

13 (b) Each executive agency shall (1) maintain ade-
14 quate inventory controls and accountability systems for the
15 property under its control, (2) continuously survey prop-
16 erty under its control to determine which is excess property,
17 and promptly report such property to the Administrator,
18 (3) perform the care and handling of such excess property,
19 and (4) transfer or dispose of such property as promptly
20 as possible in accordance with authority delegated and
21 regulations prescribed by the Administrator.

22 (c) Each executive agency shall, as far as practicable,
23 (1) make reassignments of property among activities within
24 the agency when such property is determined to be no longer
25 required for the purposes of the appropriation from which

1 it was purchased, (2) transfer excess property under its
2 control to other Federal agencies, and (3) obtain excess
3 property from other Federal agencies.

4 (d) Under existing provisions of law and procedures
5 defined by the Secretary of Defense, and without regard to
6 the requirements of this section except subsection (f), ex-
7 cess property of one of the departments of the National Mili-
8 tary Establishment may be transferred to another department
9 thereof.

10 (e) Transfers of excess property between Federal agen-
11 cies (except transfers for redistribution to other Federal
12 agencies or for disposal as surplus property) shall be at the
13 fair value thereof, as determined by, or pursuant to regula-
14 tions of, the Administrator, unless such transfer is other-
15 wise authorized by any law approved subsequent to June
16 21, 1944, to be without reimbursement or transfer
17 of funds.

18 (f) The Director of the Bureau of the Budget shall
19 prescribe regulations providing for the reporting to said
20 Director by executive agencies of such reassignments or
21 transfers of property between activities financed by different
22 appropriations as he shall deem appropriate, and the re-
23 assignments and transfers so reported shall be reported to
24 the Congress in the annual budget or otherwise as said
25 Director may determine.

1 (g) Whenever the Administrator determines that the
2 temporary assignment or reassignment of any space in
3 excess real property to any Federal agency for office, stor-
4 age, or related facilities would be more advantageous than
5 the permanent transfer of such property, he may make such
6 assignment or reassignment for such period of time as he
7 shall determine and obtain, in the absence of appropriation
8 available to him therefor, appropriate reimbursement from
9 the using agency for the expense of maintaining such space.

10 (h) The Administrator may authorize the abandonment,
11 destruction, or donation to public bodies of property which
12 has no commercial value or of which the estimated cost of
13 continued care and handling would exceed the estimated
14 proceeds from its sale.

15 DISPOSAL OF SURPLUS PROPERTY

16 SEC. 203. (a) Except as otherwise provided in this
17 section, the Administrator shall have supervision and direc-
18 tion over the disposition of surplus property. Such property
19 shall be disposed of to such extent, at such time, in such
20 areas, by such agencies, at such terms and conditions, and in
21 such manner, as may be prescribed in or pursuant to this Act.

22 (b) The care and handling of surplus property, pending
23 its disposition, and the disposal of surplus property, may be
24 performed by the General Services Agency or, when so
25 determined by the Administrator, by the executive agency

1 in possession thereof or by any other executive agency
2 consenting thereto.

3 (c) Any executive agency designated or authorized
4 by the Administrator to dispose of surplus property may do
5 so by sale, exchange, lease, permit, or transfer, for cash,
6 credit, or other property, with or without warranty, and
7 upon such other terms and conditions as the Administrator
8 deems proper, and it may execute such documents for the
9 transfer of title or other interest in property and take such
10 other action as it deems necessary or proper to dispose of
11 such property under the provisions of this title.

12 (d) A deed, bill of sale, lease, or other instrument
13 executed by or on behalf of any executive agency purporting
14 to transfer title or any other interest in property under this
15 title shall be conclusive evidence of compliance with the
16 provisions of this title insofar as concerns title or other
17 interest of any bona fide grantee or transferee for value
18 and without notice of lack of such compliance.

19 (e) Unless the Administrator shall determine that dis-
20 posal by advertising will in a given case better protect the
21 public interest, surplus property disposals may be made with-
22 out regard to any provision of existing law for advertising
23 until 12 o'clock noon, eastern standard time, December 31,
24 1950.

25 (f) Subject to regulations of the Administrator, any

1 executive agency may authorize any contractor with such
2 agency or subcontractor thereunder to retain or dispose of
3 any contractor inventory.

4 (g) The Administrator, in formulating policies with
5 respect to the disposal of surplus agricultural commodities,
6 surplus foods processed from agricultural commodities, and
7 surplus cotton or woolen goods, shall consult with the Sec-
8 retary of Agriculture. Such policies shall be so formulated
9 as to prevent surplus agricultural commodities, or surplus
10 food processed from agricultural commodities, from being
11 dumped on the market in a disorderly manner and dis-
12 rupting the market prices for agricultural commodities.

13 (h) Whenever the Secretary of Agriculture determines
14 such action to be required to assist him in carrying out his
15 responsibilities with respect to price support or stabilization,
16 the Administrator shall transfer without charge to the De-
17 partment of Agriculture any surplus agricultural commod-
18 ities, foods, or cotton or woolen goods to be disposed of.
19 Receipts resulting from disposal by the Department of
20 Agriculture under this subsection shall be deposited pursuant
21 to any authority available to the Secretary of Agriculture,
22 except that net proceeds of any sale of surplus property
23 so transferred shall be credited pursuant to section 204 (b),
24 when applicable. Surplus farm commodities so transferred
25 shall not be sold, other than for export, in quantities in

1 excess of, or at prices less than, those applicable with respect
2 to sales of such commodities by the Commodity Credit
3 Corporation.

4 (i) The United States Maritime Commission shall dis-
5 pose of surplus vessels of one thousand five hundred gross
6 tons or more which the Commission determines to be mer-
7 chant vessels or capable of conversion to merchant use, and
8 such vessels shall be disposed of only in accordance with the
9 provisions of the Merchant Marine Act, 1936, as amended,
10 and other laws authorizing the sale of such vessels.

11 (j) (1) Under such regulations as he may prescribe,
12 the Administrator is authorized in his discretion to donate
13 for educational purposes in the States, Territories, and pos-
14 sessions without cost (except for costs of care and handling)
15 such equipment, materials, books, or other supplies under
16 the control of any executive agency as shall have been
17 determined to be surplus property and which shall have
18 been determined under paragraph 2 or paragraph 3 of this
19 subsection to be usable for educational purposes.

20 (2) Determination whether such property (except sur-
21 plus property donated in conformity with paragraph 3 of this
22 subsection) is usable and necessary for educational purposes
23 shall be made by the Federal Security Administrator, who
24 shall allocate such property on the basis of needs and utiliza-
25 tion for transfer by the Administrator of General Services to

1 tax-supported school systems, schools, colleges, and univer-
2 sities, and to other nonprofit schools, colleges, and uni-
3 versities which have been held exempt from taxation under
4 section 101 (6) of the Internal Revenue Code, or to State
5 departments of education for distribution to such tax-
6 supported and nonprofit school systems, schools, colleges,
7 and universities; except that in any State where another
8 agency is designated by State law for such purpose such
9 transfer shall be made to said agency for such distribution
10 within the State.

11 (3) In the case of surplus property under the control of
12 the National Military Establishment, the Secretary of Defense
13 shall determine whether such property is usable and neces-
14 sary for educational activities that are of special interest to
15 the armed services, such as maritime academies or military,
16 naval, Air Force, or Coast Guard preparatory schools. If
17 such Secretary shall determine that such property is usable
18 and necessary for such purposes, he shall allocate it for
19 transfer by the Administrator to such educational activities.
20 If he shall determine that such property is not usable and
21 necessary for such purposes, it may be disposed of in accord-
22 ance with paragraph 2 of this subsection.

23 (k) (1) Under such regulations as he may prescribe,
24 the Administrator is authorized, in his discretion, to assign

1 to the Federal Security Administrator for disposal such
2 surplus real property, including buildings, fixtures, and
3 equipment situated thereon, as is recommended by the
4 Federal Security Administrator as being needed for school,
5 classroom, or other educational use, or for use in the pro-
6 tection of public health, including research.

7 (A) Subject to the disapproval of the Administrator
8 within thirty days after notice to him by the Federal
9 Security Administrator of a proposed transfer of property
10 for school, classroom, or other educational use, the
11 Federal Security Administrator, through such officers or
12 employees of the Federal Security Agency as he may
13 designate, may sell or lease such real property, including
14 buildings, fixtures, and equipment situated thereon, for
15 educational purposes to the States and their political sub-
16 divisions and instrumentalities, and tax-supported educa-
17 tional institutions, and to other nonprofit educational
18 institutions which have been held exempt from taxation
19 under section 101 (6) of the Internal Revenue Code.

20 (B) Subject to the disapproval of the Administrator
21 within thirty days after notice to him by the Federal
22 Security Administrator of a proposed transfer of property
23 for public-health use, the Federal Security Administrator,
24 through such officers or employees of the Federal Se-
25 curity Agency as he may designate, may sell or lease

1 such real property for public-health purposes, including
2 research, to the States and their political subdivisions and
3 instrumentalities, and to tax-supported medical institu-
4 tions, and to hospitals or other similar institutions not
5 operated for profit which have been held exempt from
6 taxation under section 101 (6) of the Internal Revenue
7 Code.

8 (C) In fixing the sale or lease value of property
9 to be disposed of under subparagraph (A) and sub-
10 paragraph (B) of this paragraph, the Federal Security
11 Administrator shall take into consideration any benefit
12 which has accrued or may accrue to the United States
13 from the use of such property by any such State, political
14 subdivision, instrumentality, or institution.

15 (D) "States" as used in this subsection includes
16 the District of Columbia and the Territories and posses-
17 sions of the United States.

18 (2) Subject to the disapproval of the Administrator
19 within thirty days after notice to him of any action to be
20 taken under this subsection—

21 (A) the Federal Security Administrator, through
22 such officers or employees of the Federal Security
23 Agency as he may designate, in the case of property
24 transferred pursuant to the Surplus Property Act of
25 1944, as amended, and pursuant to this Act, to States,

1 political subdivisions, and instrumentalities thereof, and
2 tax-supported and other nonprofit educational institu-
3 tions for school, classroom, or other educational use;

4 (B) the Federal Security Administrator, through
5 such officer or employees of the Federal Security Agency
6 as he may designate, in the case of property transferred
7 pursuant to the Surplus Property Act of 1944, as
8 amended, and pursuant to this Act, to States, political
9 subdivisions and instrumentalities thereof, tax-supported
10 medical institutions, and to hospitals and other similar
11 institutions not operated for profit, for use in the pro-
12 tection of public health (including research) ;

13 (C) the Secretary of the Interior, in the case of
14 property transferred pursuant to the Surplus Property
15 Act of 1944, as amended, and pursuant to this Act, to
16 States, political subdivisions, and instrumentalities
17 thereof, and municipalities for use as a public park,
18 public recreational area, or historic monument for the
19 benefit of the public; or

20 (D) the Secretary of Defense, in the case of prop-
21 erty transferred pursuant to the Surplus Property Act
22 of 1944, as amended, to States, political subdivisions,
23 and tax-supported instrumentalities thereof for use in

1 the training and maintenance of civilian components of
2 the armed forces,

3 is authorized and directed—

4 (i) to determine and enforce compliance with the
5 terms, conditions, reservations, and restrictions contained
6 in any instrument by which such transfer was made;

7 (ii) to reform, correct, or amend any such instru-
8 ment by the execution of a corrective, reformatory, or
9 amendatory instrument where necessary to correct such
10 instrument or to conform such transfer to the require-
11 ments of applicable law; and

12 (iii) to (I) grant releases from any of the terms,
13 conditions, reservations, and restrictions contained in,
14 and (II) convey, quitclaim, or release to the transferee
15 or other eligible user any right or interest reserved to
16 the United States by any instrument by which such
17 transfer was made, if he determines that the property
18 so transferred no longer serves the purpose for which it
19 was transferred, and that such release, conveyance, or
20 quitclaim deed will not prevent accomplishment of the
21 purpose for which such property was so transferred:
22 *Provided*, That any such release, conveyance, or quit-
23 claim deed may be granted on, or made subject to, such

terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom

1 but by law reimbursable from assessment, tax, or other rev-
2 enue or receipts, then the net proceeds of the disposition or
3 transfer shall be credited to the reimbursable fund or ap-
4 propriation or paid to the Federal agency which determined
5 such property to be excess: *Provided*, That the proceeds
6 shall be credited to miscellaneous receipts in any case when
7 the agency which determined the property to be excess shall
8 deem it uneconomical or impractical to ascertain the amount
9 of net proceeds. As used in this subsection, the term "net
10 proceeds of the disposition or transfer" means the proceeds
11 of the disposition or transfer minus all expenses incurred
12 for care and handling and disposition or transfer.

13 (c) Any Federal agency disposing of surplus property
14 under this title (1) may deposit, in a special account with
15 the Treasurer of the United States, such amount of the
16 proceeds of such dispositions as it deems necessary to permit
17 appropriate refunds to purchasers when any disposition is
18 rescinded or does not become final, or payments for breach
19 of any warranty, and (2) may withdraw therefrom amounts
20 so to be refunded or paid, without regard to the origin of
21 the funds withdrawn.

22 (d) Where any contract entered into by an executive
23 agency or any subcontract under such contract authorizes
24 the proceeds of any sale of property in the custody of the
25 contractor or subcontractor to be credited to the price or

1 cost of the work covered by such contract or subcontract,
2 the proceeds of any such sale shall be credited in accordance
3 with the contract or subcontract.

4 (e) Where credit has been extended in connection with
5 any disposition of surplus property under this title or by
6 War Assets Administration (or its predecessor agencies)
7 under the Surplus Property Act of 1944, or where such
8 disposition has been by lease or permit, the Administrator
9 shall administer and manage such credit, lease, or permit,
10 and any security therefor, and may enforce, adjust, and
11 settle any right of the Government with respect thereto in
12 such manner and upon such terms as he deems in the best
13 interest of the Government.

14 POLICIES, REGULATIONS, AND DELEGATIONS

15 SEC. 205. (a) The President may prescribe such poli-
16 cies and directives, not inconsistent with the provisions of
17 this Act, as he shall deem necessary to effectuate the provi-
18 sions of this Act, which policies and directives shall govern
19 the Administrator and executive agencies in carrying out
20 their respective functions hereunder.

21 (b) The Comptroller General shall prescribe principles
22 and standards of accounting for property, after considering
23 the needs and requirements of the executive agencies, coop-
24 erate with the Administrator and with the executive agencies
25 in the development of property accounting systems, and ap-

1 prove such systems when deemed to be adequate and in con-
2 formity with prescribed principles and standards. From time
3 to time the General Accounting Office shall examine such
4 property accounting systems as are established by the ex-
5 ecutive agencies to determine the extent of compliance with
6 prescribed principles and standards and approved systems,
7 and the Comptroller General shall report to the Congress any
8 failure to comply with such principles and standards or to
9 adequately account for property.

10 (c) The Administrator shall prescribe such regulations
11 as he deems necessary to effectuate his functions under
12 this Act, and the head of each Federal agency shall cause
13 to be issued such orders and directives as such head deems
14 necessary to carry out such regulations.

15 (d) The Administrator is authorized to delegate and
16 to authorize successive redelegation of any authority trans-
17 ferred to or vested in him by this Act (except for the
18 authority to issue regulations on matters of policy having
19 application to executive agencies, the authority contained
20 in section 106, and except as otherwise provided in this
21 Act) to any official in the General Services Agency or to
22 the head of any other Federal agency.

23 (e) With respect to any function transferred to or
24 vested in the General Services Agency or the Administrator
25 by this Act, the Administrator may (1) direct the under-

1 taking of its performance by the General Services Agency
2 or by any constituent organization therein which he may
3 designate or establish; or (2) designate and authorize any
4 executive agency to perform such function for itself; or (3)
5 designate and authorize any other executive agency to per-
6 form such function; or (4) provide for such performance
7 by any combination of the foregoing methods. Any desig-
8 nation or assignment of functions or delegation of authority
9 to another executive agency under this section shall be
10 made only with the consent of the executive agency con-
11 cerned or upon direction of the President.

12 (f) When any executive agency (including the
13 General Services Agency and constituent organizations there-
14 of) is authorized and directed by the Administrator to carry
15 out any function under this Act, the Administrator may,
16 with the approval of the Director of the Bureau of the
17 Budget, provide for the transfer of appropriate personnel,
18 records, property, and allocated funds of the General Services
19 Agency, or of such other executive agency as has theretofore
20 carried out such function, to the executive agency so author-
21 ized and directed.

22 (g) The Administrator may establish advisory com-
23 mittees to advise with him with respect to any function trans-
24 ferred to or vested in the Administrator by this Act. The
25 members thereof shall serve without compensation but

1 shall be entitled to transportation and not to exceed \$25
2 per diem in lieu of subsistence, as authorized by section 5
3 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for
4 persons so serving.

5 (h) The Administrator shall advise and consult with
6 interested Federal agencies with a view to obtaining their
7 advice and assistance in carrying out the purposes of this
8 title.

9 SURVEYS AND STANDARDIZATION

10 SEC. 206. (a) As he may deem necessary for the effec-
11 tuation of his functions under this title, and after adequate
12 advance notice to the agencies affected, and with due regard
13 to the requirements of the National Military Establishment
14 as determined by the Secretary of Defense, the Adminis-
15 trator is authorized (1) to make surveys of Government
16 property and property management practices and obtain
17 reports thereon from Federal agencies; (2) to cooperate
18 with executive agencies in the establishment of reasonable
19 inventory levels for property stocked by them and from time
20 to time report any excessive stocking to the Congress and
21 to the Director of the Bureau of the Budget; (3) to estab-
22 lish and maintain such uniform Federal supply catalog system
23 as may be appropriate to identify and classify personal prop-
24 erty under the control of Federal agencies: *Provided*, That
25 the Administrator shall coordinate his activities hereunder

1 with the cataloging activities of the National Military Estab-
2 lishment so as to avoid unnecessary duplication; and (4) to
3 prescribe standardized forms and procedures, except such
4 as the Comptroller General is authorized by law to prescribe,
5 and standard purchase specifications.

6 (b) Each executive agency shall utilize such uniform
7 Federal supply catalog system and standard purchase speci-
8 fications as far as practicable, taking into consideration
9 efficiency, economy, and other interests of the Government.

10 (c) The General Accounting Office shall audit all types
11 of property accounts and transactions at such times and in
12 such manner as determined by the Comptroller General.
13 Such audit shall be conducted as far as practicable at the
14 place or places where the property or records of the execu-
15 tive agencies are kept and shall include but not necessarily
16 be limited to an evaluation of the effectiveness of internal
17 controls and audits, and a general audit of the discharge of
18 accountability for Government-owned or controlled property
19 based upon generally accepted principles of auditing.

20 APPLICABILITY OF ANTITRUST LAWS

21 SEC. 207. Whenever any executive agency shall begin
22 negotiations for the disposition to private interests of a plant
23 or plants, or other property, which cost the Government
24 \$1,000,000 or more, or of patents, processes, techniques, or
25 inventions, irrespective of cost, the executive agency shall

1 promptly notify the Attorney General of the proposed dis-
2 posal and the probable terms or conditions thereof. Within
3 a reasonable time, in no event to exceed thirty days after
4 receiving such notification, the Attorney General shall advise
5 the Administrator and the interested executive agency
6 whether, insofar as he can determine, the proposed disposition
7 would tend to create or maintain a situation inconsistent with
8 the antitrust laws. Upon the request of the Attorney
9 General, the Administrator or interested executive agency
10 shall furnish or cause to be furnished such information as it
11 may possess which the Attorney General determines to be
12 appropriate or necessary to enable him to give the advice
13 called for by this section or to determine whether any other
14 disposition or proposed disposition of surplus property
15 violates the antitrust laws. Nothing in this Act shall impair,
16 amend, or modify the antitrust laws or limit and prevent their
17 application to persons who buy or otherwise acquire property
18 under the provisions of this Act. As used in this section, the
19 term "antitrust laws" includes the Act of July 2, 1890 (26
20 Stat. 209, as amended) ; the Act of October 15, 1914 (38
21 Stat. 730, as amended) ; the Federal Trade Commission
22 Act (38 Stat. 717, as amended) ; and sections 73 and 74 of
23 the Act of August 27, 1894 (28 Stat. 570, as amended).

24 EMPLOYMENT OF PERSONNEL

25 SEC. 208. (a) The Administrator is authorized, subject

1 to the civil-service and classification laws, to appoint and fix
2 the compensation of such personnel as may be necessary
3 to carry out the provisions of title I, II, III, and V of this
4 Act.

5 (b) To such extent as he finds necessary to carry out
6 the provisions of titles I, II, III, and V of this Act, the Ad-
7 ministrator is hereby authorized to procure the temporary
8 (not in excess of one year) or intermittent services of experts
9 or consultants or organizations thereof, including stenographic
10 reporting services, by contract or appointment, and in such
11 cases such service shall be without regard to the civil-service
12 and classification laws, and, except in the case of stenographic
13 reporting services by organizations, without regard to section
14 3709, Revised Statutes, as amended (41 U. S. C. 5).

15 (c) Notwithstanding the provisions of section 1222 of
16 the Revised Statutes (10 U. S. C. 576) or of any other
17 provision of law, the Administrator in carrying out the
18 functions imposed upon him by this Act is authorized to
19 utilize in his agency the services of officials, officers, and
20 other personnel in other executive agencies, including per-
21 sonnel of the armed services, with the consent of the head of
22 the agency concerned.

23 CIVIL REMEDIES AND PENALTIES

24 SEC. 209. (a) Where any property is transferred or
25 disposed of in accordance with this Act and any regulations

1 prescribed hereunder, no officer or employee of the Govern-
2 ment shall (1) be liable with respect to such transfer or
3 disposition except for his own fraud, or (2) be accountable
4 for the collection of any purchase price for such property
5 which is determined to be uncollectible by the Federal agency
6 responsible therefor.

7 (b) Every person who shall use or engage in, or cause
8 to be used or engaged in, or enter into an agreement, com-
9 bination, or conspiracy to use or engage in or to cause to
10 be used or engaged in, any fraudulent trick, scheme, or
11 device, for the purpose of securing or obtaining, or aiding to
12 secure or obtain, for any person any payment, property, or
13 other benefits from the United States or any Federal agency
14 in connection with the procurement, transfer, or disposition
15 of property hereunder—

16 (1) shall pay to the United States the sum of
17 \$2,000 for each such act, and double the amount of any
18 damage which the United States may have sustained by
19 reason thereof, together with the cost of suit; or

20 (2) shall, if the United States shall so elect, pay
21 to the United States, as liquidated damages, a sum equal
22 to twice the consideration agreed to be given by the
23 United States or any Federal agency to such person or
24 by such person to the United States or any Federal
25 agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as

1 he may deem appropriate as the result of the administration
2 of this Act.

3 TITLE III—PROCUREMENT PROCEDURE

4 DECLARATION OF PURPOSE

5 SEC. 301. The purpose of this title is to facilitate the
6 procurement of supplies and services.

7 APPLICATION AND PROCUREMENT METHODS

8 SEC. 302. (a) The provisions of this title shall be ap-
9 plicable to purchases and contracts for supplies or services
10 made—

11 (1) by the General Services Agency for the use
12 of such agency or otherwise; and

13 (2) by any other executive agency (except any
14 agency named in section 2 (a) of the Armed Services
15 Procurement Act of 1947), to the extent of and in con-
16 formity with authority delegated by the Administrator
17 pursuant to the provisions of this subsection.

18 The Administrator may delegate to the head of any other
19 such agency authority to make purchases and contracts for
20 supplies or services pursuant to the provisions of this title
21 (A) for the use of two or more executive agencies or (B)
22 in other cases upon a determination by the Administrator
23 that by reason of circumstances set forth in such determina-
24 tion such delegation is advantageous to the Government in

1 terms of economy, efficiency, or national security. Notice
2 of every such delegation of authority so made shall be fur-
3 nished to the General Accounting Office.

4 (b) It is the declared policy of the Congress that a fair
5 proportion of the total purchases and contracts for supplies
6 and services for the Government shall be placed with small-
7 business concerns. Whenever it is proposed to make a
8 contract or purchase in excess of \$10,000 by negotiation
9 and without advertising, pursuant to the authority of para-
10 graph (7) or (8) of section 302 (c) of this title, suitable
11 advance publicity, as determined by the agency head with
12 due regard to the type of supplies involved and other rel-
13 evant considerations, shall be given for a period of at least
14 fifteen days, wherever practicable, as determined by the
15 agency head.

16 (c) All purchases and contracts for supplies and serv-
17 ices shall be made by advertising, as provided in section 303,
18 except that such purchases and contracts may be negotiated
19 by the agency head without advertising if—

20 (1) determined to be necessary in the public
21 interest during the period of a national emergency
22 declared by the President or by the Congress;

23 (2) the public exigency will not admit of the delay
24 incident to advertising;

25 (3) the aggregate amount involved does not exceed

1 \$1,000: *Provided*, That no agency other than the
2 General Services Agency shall make any purchase of,
3 or contract for, supplies or services in excess of \$500
4 under this paragraph except in the exercise of authority
5 conferred by the Administrator to procure and furnish
6 supplies and services for the use of two or more executive
7 agencies;

8 (4) for personal or professional services;

9 (5) for any service to be rendered by any univer-
10 sity, college, or other educational institution;

11 (6) the supplies or services are to be procured and
12 used outside the limits of the United States and its
13 possessions;

14 (7) for medicines or medical supplies;

15 (8) for supplies purchased for authorized resale;

16 (9) for supplies or services for which it is imprac-
17 ticable to secure competition;

18 (10) the agency head determines that the purchase
19 or contract is for experimental, developmental, or re-
20 search work, or for the manufacture or furnishing of
21 supplies for experimentation, development, research, or
22 test: *Provided*, That beginning six months after the
23 effective date of this title and at the end of each six-
24 month period thereafter, there shall be furnished to the
25 Congress a report setting forth the name of each con-

tractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some

1 of the bids received unless (A) notification of the inten-
2 tion to negotiate and reasonable opportunity to negotiate
3 shall have been given by the agency head to each re-
4 sponsible bidder and (B) the negotiated price is the
5 lowest negotiated price offered by any responsible
6 supplier; or

7 (14) otherwise authorized by law.

8 (d) If in the opinion of the agency head bids received
9 after advertising evidence any violation of the antitrust laws
10 he shall refer such bids to the Attorney General for appro-
11 priate action.

12 (e) This section shall not be construed to (A) authorize
13 the erection, repair, or furnishing of any public building or
14 public improvement, but such authorization shall be required
15 in the same manner as heretofore, or (B) permit any con-
16 tract for the construction or repair of buildings, roads, side-
17 walks, sewers, mains, or similar items to be negotiated with-
18 out advertising as required by section 303, unless such con-
19 tract is to be performed outside the continental United States
20 or unless negotiation of such contract is authorized by the
21 provisions of paragraph (1), (2), (3), (9), (10), (11),
22 or (13) of subsection (c) of this section.

23 ADVERTISING REQUIREMENTS

24 SEC. 303. Whenever advertising is required—

25 (a) The advertisement for bids shall be made a sufficient

1 time previous to the purchase or contract, and specifications
2 and invitations for bids shall permit such full and free com-
3 petition as is consistent with the procurement of types of
4 supplies and services necessary to meet the requirements of
5 the agency concerned.

6 (b) All bids shall be publicly opened at the time and
7 place stated in the advertisement. Award shall be made with
8 reasonable promptness by written notice to that responsible
9 bidder whose bid, conforming to the invitation for bids, will
10 be most advantageous to the Government, price and other
11 factors considered: *Provided*, That all bids may be rejected
12 when the agency head determines that it is in the public
13 interest so to do.

14 REQUIREMENTS OF NEGOTIATED CONTRACTS

15 SEC. 304. (a) Except as provided in subsection (b)
16 of this section, contracts negotiated pursuant to section 302
17 (c) may be of any type which in the opinion of the agency
18 head will promote the best interests of the Government.
19 Every contract negotiated pursuant to section 302 (c) shall
20 contain a suitable warranty, as determined by the agency
21 head, by the contractor that no person or selling agency
22 has been employed or retained to solicit or secure such
23 contract upon an agreement or understanding for a commis-
24 sion, percentage, brokerage, or contingent fee, excepting
25 bona fide employees or bona fide established commercial or

1 selling agencies maintained by the contractor for the pur-
2 pose of securing business, for the breach or violation of
3 which warranty the Government shall have the right to
4 annul such contract without liability or in its discretion to
5 deduct from the contract price or consideration the full
6 amount of such commission, percentage, brokerage, or
7 contingent fee.

8 (b) The cost-plus-a-percentage-of-cost system of con-
9 tracting shall not be used, and in the case of a cost-plus-a-
10 fixed-fee contract the fee shall not exceed 10 per centum
11 of the estimated cost of the contract, exclusive of the fee,
12 as determined by the agency head at the time of entering
13 into such contract (except that a fee not in excess of 15
14 per centum of such estimated cost is authorized in any
15 such contract for experimental, developmental, or research
16 work and that a fee inclusive of the contractor's costs and
17 not in excess of 6 per centum of the estimated cost, exclu-
18 sive of fees, as determined by the agency head at the time
19 of entering into the contract, of the project to which such
20 fee is applicable is authorized in contracts for architectural
21 or engineering services relating to any public works or
22 utility project). Neither a cost nor a cost-plus-a-fixed-fee
23 contract nor an incentive-type contract shall be used unless
24 the agency head determines that such method of contract-
25 ing is likely to be less costly than other methods or that

1 it is impractical to secure supplies or services of the kind
2 or quality required without the use of a cost or cost-plus-
3 a-fixed-fee contract or an incentive-type contract. All cost
4 and cost-plus-a-fixed-fee contracts shall provide for advance
5 notification by the contractor to the procuring agency of
6 any subcontract thereunder on a cost-plus-a-fixed-fee basis
7 and of any fixed-price subcontract or purchase order which
8 exceeds in dollar amount either \$25,000 or 5 per centum
9 of the total estimated cost of the prime contract; and a
10 procuring agency, through any authorized representative
11 thereof, shall have the right to inspect the plans and to audit
12 the books and records of any prime contractor or subcon-
13 tractor engaged in the performance of a cost or cost-plus-a-
14 fixed-fee contract.

15 ADVANCE PAYMENTS

16 SEC. 305. (a) The agency head may make advance
17 payments under negotiated contracts heretofore or hereafter
18 executed in any amount not exceeding the contract price
19 upon such terms as the parties shall agree: *Provided*, That
20 advance payments shall be made only upon adequate security
21 and if the agency head determines that provision for such
22 advance payments is in the public interest or in the interest
23 of the national defense and is necessary and appropriate in
24 order to procure required supplies or services under the
25 contract.

1 (b) The terms governing advance payments may in-
2 clude as security provision for, and upon inclusion of such
3 provision there shall thereby be created, a lien in favor of
4 the Government, paramount to all other liens, upon the
5 supplies contracted for, upon the credit balance in any special
6 account in which such payments may be deposited and upon
7 such of the material and other property acquired for perform-
8 ance of the contract as the parties shall agree.

9 WAIVER OF LIQUIDATED DAMAGES

10 SEC. 306. Whenever any contract made on behalf of
11 the Government by the agency head or by officers authorized
12 by him so to do includes a provision for liquidated damages
13 for delay, the Comptroller General on the recommendation
14 of the agency head is authorized and empowered to remit
15 the whole or any part of such damages as in his discretion
16 may be just and equitable.

17 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

18 SEC. 307. (a) The determinations and decisions pro-
19 vided in this title to be made by the Administrator or other
20 agency head may be made with respect to individual pur-
21 chases and contracts or with respect to classes of purchases
22 or contracts, and shall be final. Except as provided in sub-
23 section (b) of this section, the agency head is authorized
24 to delegate his powers provided by this title, including the
25 making of such determinations and decisions, in his discre-

1 tion and subject to his direction, to any other officer or
2 officers or officials of the agency.

3 (b) The power of the agency head to make the deter-
4 minations or decisions specified in paragraphs (11) and
5 (12) of section 302 (c) and in section 305 (a) shall not
6 be delegable, and the power to make the determinations
7 or decisions specified in paragraph (10) of section 302 (c)
8 shall be delegable only to a chief officer responsible for
9 procurement and only with respect to contracts which will
10 not require the expenditure of more than \$25,000. The
11 power of the Administrator to make the delegations and
12 determinations specified in section 302 (a) shall be delegable
13 only to the Deputy Administrator or to the chief official
14 of any principal organizational unit of the General Services
15 Agency.

16 (c) Each determination or decision required by para-
17 graphs (10), (11), 12), or (13) of section 302 (c), by
18 section 304 or by section 305 (a) shall be based upon
19 written findings made by the official making such deter-
20 mination, which findings shall be final and shall be available
21 within the agency for a period of at least six years following
22 the date of the determination. A copy of the findings shall
23 be submitted to the General Accounting Office with the
24 contract.

25 (d) In any case where any purchase or contract is

1 negotiated pursuant to the provisions of section 302 (c),
2 except in a case covered by paragraphs (2), (3), (4),
3 (5), or (6) thereof, the data with respect to the negotiation
4 shall be preserved in the files of the agency for a period of
5 six years following final payment on such contract.

6 STATUTES CONTINUED IN EFFECT

7 SEC. 308. No purchase or contract shall be exempt
8 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
9 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
10 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
11 solely by reason of having been entered into pursuant to sec-
12 tion 302 (c) hereof without advertising, and the provisions
13 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,
14 as amended; 40 U. S. C. 324 and 325a), if otherwise
15 applicable, shall apply to such purchases and contracts.

16 DEFINITIONS

17 SEC. 309. As used in this title—

18 (a) The term “agency head” shall mean the head or
19 any assistant head of any executive agency, and may at the
20 option of the Administrator include the chief official of any
21 principal organizational unit of the General Services Agency.

22 (b) The term “supplies” shall mean all property except
23 land, and shall include, by way of description and without
24 limitation, public works, buildings, facilities, ships, floating
25 equipment, and vessels of every character, type and descrip-

tion (except the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Agency, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5) ;

Revised Statutes, section 3735 (41 U. S. C. 13) :

Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States: (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act

1 of 1944, as amended, and the Foreign Service Buildings
2 Act of May 7, 1926, as amended (including Public Law
3 547, Seventy-ninth Congress (60 Stat. 663)), and for
4 the purpose of paying any other governmental expenses pay-
5 able in local currencies, and the authority to amend, modify,
6 and renew agreements in effect on the effective date of
7 this Act; (c) any foreign currencies or credits acquired
8 by the Department of State pursuant to such agreements
9 shall be administered in accordance with procedures that
10 may from time to time be established by the Secretary of
11 the Treasury and, if and when reduced to United States
12 currency, shall be covered into the Treasury as miscellaneous
13 receipts; and (d) the Department of State shall, except to
14 such extent as the President shall otherwise determine, con-
15 tinue to perform other functions with respect to agreements
16 for the disposal of foreign excess property in effect on the
17 effective date of this Act.

18 METHODS AND TERMS OF DISPOSAL

19 SEC. 402. Foreign excess property may be disposed of
20 (a) by sale, exchange, lease, or transfer, for cash, credit,
21 or other property, with or without warranty, and upon such
22 other terms and conditions as the head of the executive
23 agency concerned deems proper; but in no event shall any
24 agricultural commodity, food, or cotton or woolen goods be
25 sold without a condition forbidding their importation into

1 the United States, unless the Secretary of Agriculture deter-
2 mines that such property is in short supply in this country,
3 or (b) for foreign currencies or credits, or substantial bene-
4 fits or the discharge of claims resulting from the compromise
5 or settlement of such claims by any executive agency in
6 accordance with the law, whenever the head of the execu-
7 tive agency concerned determines that it is in the interest
8 of the United States to do so. Such property may be dis-
9 posed of without advertising when the head of the executive
10 agency concerned finds so doing to be most practicable and
11 to be advantageous to the Government. The head of each
12 executive agency responsible for the disposal of foreign
13 excess property may execute such documents for the transfer
14 of title or other interest in property and take such other
15 action as he deems necessary or proper to dispose of such
16 property; and may authorize the abandonment, destruction,
17 or donation of foreign excess property under his control
18 which has no commercial value or the estimated cost of
19 care and handling of which would exceed the estimated
20 proceeds from its sale.

21 PROCEEDS, FOREIGN CURRENCIES

22 SEC. 403. Proceeds from the sale, lease, or other dis-
23 position of foreign excess property, (a) shall, if in the
24 form of foreign currencies or credits, be administered in ac-
25 cordance with procedures that may from time to time be

1 established by the Secretary of the Treasury, and (b) shall,
2 if in United States currency, or when any proceeds in foreign
3 currencies or credits shall be reduced to United States cur-
4 rency, be covered into the Treasury as miscellaneous re-
5 ceipts: *Provided*, That the provisions of section 204 (b)
6 (which by their terms apply to property disposed of under
7 title II) shall be applicable to proceeds of foreign excess
8 property disposed of for United States currency under this
9 title IV: *And provided further*, That any executive agency
10 disposing of foreign excess property under this title (1) may
11 deposit, in a special account with the Treasurer of the United
12 States, such amount of the proceeds of such dispositions
13 as it deems necessary to permit appropriate refunds to
14 purchasers when any disposition is rescinded or does not
15 become final, or payments for breach of any warranty, and
16 (2) may withdraw therefrom amounts so to be refunded or
17 paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

19 SEC. 404. (a) The President may prescribe such poli-
20 cies, not inconsistent with the provisions of this title, as he
21 shall deem necessary to effectuate the provisions of this title,
22 which provisions shall guide each executive agency in carry-
23 ing out its functions hereunder.

24 (b) Any authority conferred upon any executive agency
25 or the head thereof by the provisions of this title may be

1 delegated, and successive redelegation thereof may be author-
2 ized, by such head to any official in such agency or to the
3 head of any other executive agency.

4 (c) The head of each executive agency responsible for
5 the disposal of foreign excess property hereunder may, as
6 may be necessary to carry out his functions under this
7 title, (1) subject to the civil-service and classification laws,
8 appoint and fix the compensation of personnel, and (2)
9 without regard to the civil-service and classification laws,
10 appoint and fix the compensation of personnel outside the
11 continental limits of the United States.

12 (d) Each executive agency responsible for the dis-
13 posal of foreign excess property under this title shall submit
14 a report to Congress in January of each year or at such other
15 time or times as he may deem desirable relative to its
16 activities under this title, together with any appropriate
17 recommendations.

18 (e) There shall be transferred from the Department of
19 State to each other executive agency affected by this title
20 such records, property, personnel, obligations, commitments,
21 and unexpended balances of appropriations, allocations, and
22 other funds, available or to be made available, as the Direc-
23 tor of the Bureau of the Budget shall determine to relate to
24 functions of such agency under this title which have here-
25 tofore been administered by the Department of State.

1 TITLE V—GENERAL PROVISIONS

2 APPLICABILITY OF EXISTING PROCEDURES

3 SEC. 501. All policies, procedures, and directives
4 prescribed—

5 (a) by either the Director, Bureau of Federal Sup-
6 ply, or the Secretary of the Treasury and relating to
7 any function transferred to or vested in the Adminis-
8 trator by the provisions of this Act;

9 (b) by any officer of the Government under the
10 authority of the Surplus Property Act of 1944, as
11 amended, or under other authority with respect to sur-
12 plus property or foreign excess property;

13 (c) by or under authority of the Federal Works
14 Administrator or the head of any constituent agency of
15 the Federal Works Agency; and

16 (d) by the Archivist of the United States or any
17 other officer or body whose functions are transferred by
18 title I of this Act,

19 in effect upon the effective date of this Act and not incon-
20 sistent herewith, shall remain in full force and effect unless
21 and until superseded, or except as they may be amended,
22 under the authority of this Act or under other appropriate
23 authority.

24 REPEAL AND SAVING PROVISIONS

25 SEC. 502. (a) There are hereby repealed—

1 (1) the Surplus Property Act of 1944, as amended
2 (except sections 13 (g), 13 (h), 28, and 32 (b)
3 (2)), and sections 501 and 502 of Reorganization
4 Plan Numbered 1 of 1947;

5 (2) that portion of the Act entitled "An Act mak-
6 ing supplemental appropriations for the Executive Office
7 and sundry independent executive bureaus, boards, com-
8 missions, and offices, for the fiscal year ending June
9 30, 1949, and for other purposes", approved June 30,
10 1948 (Public Law 862, Eightieth Congress), as
11 amended, appearing under the caption "Surplus prop-
12 erty disposal";

13 (3) the Act entitled "An Act to authorize the
14 Secretary of War to dispose of material no longer needed
15 by the Army", approved February 28, 1936 (49 Stat.
16 1147; 10 U. S. C. 1258) ;

17 (4) the Act entitled "An Act to authorize the
18 Secretary of the Navy to dispose of material no longer
19 needed by the Navy", approved May 23, 1930, as
20 amended (46 Stat. 378; 34 U. S. C. 546c) ;

21 (5) section 5 of the Act of July 11, 1919 (41
22 Stat. 67; 40 U. S. C. 311) ;

23 (6) section 1 of the Act of December 20, 1928
24 (45 Stat. 1030; 40 U. S. C. 311a) ;

25 (7) the Act entitled "An Act to authorize the

Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress) ;

(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1) ;

(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d) ;

(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494) ;

(12) the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9) ;

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546) ;

(14) the proviso contained in the second paragraph under the heading "Library, Department of

1 Agriculture” of the Act of March 4, 1915 (38 Stat.
2 1107; 5 U. S. C. 548) ;

3 (15) the second proviso contained in the second
4 paragraph under the heading “Clothing and camp and
5 garrison equipage” of section 1 of the Act of August
6 29, 1916 (39 Stat. 635; 10 U. S. C. 1271) ;

7 (16) the Act of May 11, 1939 (53 Stat. 739;
8 10 U. S. C. 1271a) ;

9 (17) the fifth paragraph under the heading “Office
10 of the Chief Signal Officer” of the Act of May 12, 1917
11 (40 Stat. 43, as amended; 10 U. S. C. 1272) ;

12 (18) the third proviso contained in the second
13 paragraph under the heading “Office of the Chief Signal
14 Officer” of the Act of March 4, 1915 (38 Stat. 1064;
15 10 U. S. C. 1273) ;

16 (19) the fourteenth paragraph under the heading
17 “Smithsonian Institution” of section 1 of the Act of
18 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66) ;

19 (20) the second paragraph under the heading
20 “Government hospital for the insane” of section 1 of
21 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
22 173) ;

23 (21) the second paragraph under the heading
24 “Saint Elizabeths Hospital” of section 1 of the Act of
25 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174) ;

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a) ;

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532) ;

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723) ;

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118) ;

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ;

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b) ;

(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7) ;

(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d) ; and

1 (31) section 1 of the Act of May 14, 1935 (49
2 Stat. 234; 41 U. S. C. 7c-1).

3 (b) The provisions of the first, third, and fifth para-
4 graphs of section 1 of Executive Order Numbered 6166 of
5 June 10, 1933, are hereby superseded, insofar as they relate
6 to any function now administered by the Bureau of Federal
7 Supply except functions with respect to standard contract
8 forms.

9 (c) The authority conferred by this Act is in addition
10 to any authority conferred by any other law and shall not
11 be subject to the provisions of any law inconsistent herewith,
12 except that sections 205 (b) and 206 (c) of this Act shall
13 not be applicable to any Government corporation or agency
14 which is subject to the Government Corporation Control Act
15 (59 Stat. 597; 31 U. S. C. 841).

16 (d) Nothing in this Act shall impair or affect any
17 authority of—

18 (1) the President under the Philippine Property
19 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381) ;

20 (2) any executive agency with respect to any phase
21 (including, but not limited to, procurement, storage,
22 transportation, processing, and disposal) of any pro-
23 gram conducted for purposes of resale, price support,
24 grants to farmers, stabilization, transfer to foreign gov-
25 ernments, or foreign aid, relief, or rehabilitation: *Pro-*

1 *vided*, That the agency carrying out such program shall,
2 to the maximum extent practicable, consistent with the
3 fulfillment of the purposes of the program and the effec-
4 tive and efficient conduct of its business, coordinate its
5 operations with the requirements of this Act and the
6 policies and regulations prescribed pursuant thereto;

7 (3) any executive agency named in the Armed
8 Services Procurement Act of 1947, and the head thereof,
9 with respect to the administration of said Act;

10 (4) the National Military Establishment with re-
11 spect to property required for or located in occupied
12 territories;

13 (5) the Secretary of Defense with respect to the
14 administration of the National Industrial Reserve Act
15 of 1948;

16 (6) the Secretary of Defense, the Munitions Board,
17 and the Secretaries of the Army, Navy, and Air Force
18 with respect to the administration of the Strategic and
19 Critical Materials Stock Piling Act (60 Stat. 596),
20 and provided that any imported materials which the
21 authorized procuring agency shall certify to the Com-
22 missioner of Customs to be strategic and critical ma-
23 terials procured under said Act may be entered, or
24 withdrawn from warehouse, free of duty;

1 (7) the Secretary of State under the Foreign Serv-
2 ice Buildings Act of May 7, 1926, as amended;

3 (8) the Secretary of the Army and the Secretary
4 of the Air Force with respect to the administration of
5 section 1 (b) of the Act entitled "An Act to expedite
6 the strengthening of the national defense", approved
7 July 2, 1940 (54 Stat. 712) ;

8 (9) the Secretary of Agriculture or the Depart-
9 ment of Agriculture under (A) the National School
10 Lunch Act (60 Stat. 230) ; (B) the Farmers Home
11 Administration Act of 1946 (60 Stat. 1062) ; (C) the
12 Act of August 31, 1947, Public Law 298, Eightieth
13 Congress, with respect to the disposal of labor supply
14 centers, and labor homes, labor camps, or facilities; (D)
15 section 32 of the Act of August 24, 1935 (49 Stat.
16 774), as amended, with respect to the exportation and
17 domestic consumption of agricultural products; or (E)
18 section 201 of the Agricultural Adjustment Act of
19 1938 (52 Stat. 36) or section 203 (j) of the Agri-
20 cultural Marketing Act of 1946 (60 Stat. 1082) ;

21 (10) the Secretary of Agriculture, Farm Credit
22 Administration, or any farm credit board under section
23 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
24 with respect to the acquisition or disposal of property;

25 (11) the Housing and Home Finance Agency, or

1 any officer or constituent agency therein, with respect
2 to the disposal of residential property, or of other prop-
3 erty (real or personal) held as part of or acquired for
4 or in connection with residential property, or in connec-
5 tion with the insurance of mortgages, loans, or savings
6 and loan accounts under the National Housing Act;

7 (12) the Tennessee Valley Authority with respect to
8 nonpersonal services, with respect to the matters referred
9 to in section 201 (a) (4), and with respect to any
10 property acquired or to be acquired for or in connection
11 with any program of processing, manufacture, produc-
12 tion, or force account construction: *Provided*, That the
13 Tennessee Valley Authority shall to the maximum extent
14 that it may deem practicable, consistent with the fulfill-
15 ment of the purpose of its program and the effective
16 and efficient conduct of its business, coordinate its opera-
17 tions with the requirements of this Act and the policies
18 and regulations prescribed pursuant thereto;

19 (13) the Atomic Energy Commission;

20 (14) the Administrator of Civil Aeronautics or the
21 Chief of the Weather Bureau with respect to the dis-
22 posal of airport property and airway property for use
23 as such property. For the purpose of this paragraph
24 the terms "airport property" and "airway property"
25 shall have the respective meanings ascribed to them in

1 the International Aviation Facilities Act (62 Stat.
2 450) ; .

3 (15) the Postmaster General or the Postal Estab-
4 lishment with respect to the means and methods of
5 distribution and transportation of the mails, and con-
6 tracts, negotiations, and proceedings before Federal and
7 State regulatory and rate-making bodies, relating to the
8 transportation of the mails;

9 (16) except as provided in subsections (a) and
10 (b) hereof, any other law relating to the procurement,
11 utilization, or disposal of property: *Provided*, That,
12 subject to, and within the scope of authority conferred on
13 the Administrator by other provisions of this Act, he
14 is authorized to prescribe regulations to govern any pro-
15 curement, utilization, or disposal of property under any
16 such law, whenever but only to the extent he deems such
17 action necessary to effectuate the provisions of title II;

18 (17) the Central Intelligence Agency; nor

19 (18) for such period of time as the President may
20 specify, any other authority of any executive agency
21 which the President determines within one year after
22 the effective date of this Act should, in the public
23 interest, stand unimpaired by this Act.

24 (e) Section 3709, Revised Statutes, as amended (41

1 U. S. C. 5), is amended by striking out “\$100” wherever
2 it appears therein and inserting in lieu thereof “\$500.”

3 (f) The Administrator shall report to the Congress,
4 in January of each year, and at such other times as he may
5 deem it desirable, the laws becoming obsolete by reason of
6 the passage or operation of titles II and III of this Act.

7 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

8 AUTHORITY

9 SEC. 503. (a) There are hereby authorized to be ap-
10 propriated such sums as may be necessary to carry out the
11 provisions of this Act.

12 (b) When authorized by the Director of the Bureau
13 of the Budget, any Federal agency may use, for the dis-
14 position of property under this Act, and for its care and
15 handling pending such disposition, any funds heretofore or
16 hereafter appropriated, allocated, or available to it for pur-
17 poses similar to those provided for in sections 201, 202,
18 203, and 205 of this Act.

19 SEPARABILITY

20 SEC. 504. If any provision of this Act, or the applica-
21 tion thereof to any person or circumstances, is held invalid,
22 the remainder of this Act, and the application of such
23 provision to other persons or circumstances, shall not be
24 affected thereby.

EFFECTIVE DATE

1

2 SEC. 505. This Act shall become effective on July 1,
3 1949, except that the provisions of section 502 (a) (2)
4 (repealing prior law relating to the disposition of the affairs
5 of the War Assets Administration) shall become effective
6 on June 30, 1949.

81ST CONGRESS
1st Session

S. 2020

[Report No. 475]

A BILL

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

By Mr. McCLELLAN

JUNE 8 (legislative day, JUNE 2), 1949

Read twice and placed on the calendar

81ST CONGRESS
1ST SESSION

Read twice and ordered to be placed on the calendar

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 106. Redistribution of functions.
Sec. 107. Transfer of funds.
Sec. 108. Status of transferred employees.
Sec. 109. Salaries of officers.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
Sec. 202. Property utilization.
Sec. 203. Disposal of surplus property.
Sec. 204. Proceeds from transfer or disposition of property.
Sec. 205. Policies, regulations, and delegations.
Sec. 206. Surveys and standardization and cataloging.
Sec. 207. Applicability of antitrust laws.
Sec. 208. Employment of personnel.
Sec. 209. Civil remedies and penalties.
Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
Sec. 402. Methods and terms of disposal.
Sec. 403. Proceeds; foreign currencies.
Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

1 DECLARATION OF POLICY

2 SEC. 2. It is the intent of the Congress in enacting this
3 legislation to provide for the Government an economical and
4 efficient system for (a) the procurement and supply of per-

1 sonal property and nonpersonal services, including related
2 functions such as contracting, inspection, storage, issue,
3 specifications, property identification and classification,
4 transportation and traffic management, management of
5 public utility services, repairing and converting, establish-
6 ment of inventory levels, establishment of forms and pro-
7 cedures, and representation before Federal and State regu-
8 latory bodies; (b) the utilization of available property;
9 (c) the disposal of surplus property; and (d) records
10 management.

11 DEFINITIONS

12 SEC. 3. As used in this Act—

13 (a) The term “executive agency” means any executive
14 department or independent establishment in the executive
15 branch of the Government, including any wholly owned
16 Government corporation.

17 (b) The term “Federal agency” means any executive
18 agency or any establishment in the legislative or judicial
19 branch of the Government.

20 (c) The term “Administrator” means the Administrator
21 of General Services provided for in title I hereof.

22 (d) The term “property” means any interest in prop-
23 erty of any kind except (1) the public domain and lands
24 reserved or dedicated for national forest or national park
25 purposes; and (2) naval vessels of the following cate-

1 gories: Battleships, cruisers, aircraft carriers, destroyers, and
2 submarines.

3 (e) The term “excess property” means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term “foreign excess property” means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term “surplus property” means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of any Federal agency, as determined
14 by the Administrator.

15 (h) The term “care and handling” includes complet-
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling,
18 conserving, and transporting excess and surplus property,
19 and, in the case of property which is dangerous to public
20 health or safety, destroying or rendering innocuous such
21 property.

22 (i) The term “person” includes any corporation, part-
23 nership, firm, association, trust, estate, or other entity.

24 (j) The term “nonpersonal services” means such con-

tractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term "contractor inventory" means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

TITLE I—ORGANIZATION

GENERAL SERVICES ADMINISTRATION

SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section the President may designate the Federal Works Administrator in office immediately prior to the taking effect of the provisions of this Act to perform temporarily the functions of the Administrator of General Services; and such designee, while serving in this capacity under this subsection shall receive the compensation of the Administrator of General Services.

TRANSFER OF BUREAU OF FEDERAL SUPPLY

SEC. 102. (a) The Bureau of Federal Supply in the Department of the Treasury and its functions, records, property, personnel, obligations, and commitments, are hereby transferred from the Department of the Treasury to the General Services Administration, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall

1 determine to relate primarily to functions transferred by this
2 section or vested in the Administrator by titles II, III, and
3 V of this Act. There shall be at the head of the Bureau of
4 Federal Supply a Commissioner of Federal Supply, who
5 shall be appointed by the Administrator. The functions
6 of (1) the Director of the Bureau of Federal Supply, (2)
7 the personnel of such Bureau, and (3) the Secretary
8 of the Treasury, relating to the Bureau of Federal Supply, are
9 hereby transferred to the Administrator.

10 (b) The functions of the Director of Contract Settle-
11 ment and of the Office of Contract Settlement, transferred
12 to the Secretary of the Treasury by Reorganization Plan
13 Numbered 1 of 1947, are transferred to the Administrator
14 and shall be performed by him or, subject to his direction
15 and control, by such officers and agencies of the General
16 Services Administration as he may designate. The Con-
17 tract Settlement Act Advisory Board created by section 5
18 of the Contract Settlement Act of 1944 (58 Stat. 649)
19 and the Appeal Board established under section 13 (d) of
20 that Act are transferred from the Department of the Treasury
21 to the General Services Administration, but the functions of
22 these Boards shall be performed by them, respectively, under
23 conditions and limitations prescribed by law. There shall
24 also be transferred to the General Services Administration
25 such records, property, personnel, obligations, commitments,

and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) There are hereby transferred to the General Services Administration (1) the Public Buildings Administration, which shall hereafter be known as the Bureau of Public Buildings, and its functions, records, property, personnel, obligations, and commitments; (2) the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and its functions, records,

1 property, personnel, obligations, and commitments; and
 2 (3) all other functions, records, property, personnel, obliga-
 3 tions, and commitments of the Federal Works Agency;
 4 (4) all functions of the Federal Works Administrator and
 5 all functions of the Commissioner of Public Buildings and
 6 the Commissioner of Public Roads are hereby transferred
 7 to the Administrator of General Services.

8 (b) There are hereby abolished the Federal Works
 9 Agency, the office of Federal Works Administrator, and the
 10 office of Assistant Federal Works Administrator.

11 (c) Without regard to the provisions of section 103 (b) ,
 12 the President may continue, for such duration as he shall
 13 determine, as a constituent agency of the General Services
 14 Administration, the heretofore existing Bureau of Community
 15 Facilities of the Federal Works Agency.

16 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL
 17 ARCHIVES

18 SEC. 104. (a) The National Archives Establishment
 19 and its functions, records, property, personnel, obligations,
 20 and commitments are hereby transferred to the General Serv-
 21 ices Administration. There are transferred to the Adminis-
 22 trator (1) the functions of the Archivist of the United States,
 23 except his functions under the Act of July 7, 1943 (57 Stat.
 24 380, as amended), which excepted functions shall be per-

1 formed by the Archivist subject to the direction and control
2 of the Administrator, and except that the Archivist shall
3 continue to be a member or chairman, as the case may be,
4 of the bodies referred to in subsection (b) of this section,
5 and (2) the functions of the Director of the Division of the
6 Federal Register of the National Archives Establishment.
7 The Archivist of the United States shall hereafter be ap-
8 pointed by the Administrator.

9 (b) There are also transferred to the General Services
10 Administration the following bodies, together with their
11 respective functions and such funds as are derived from
12 Federal sources: (1) The National Archives Council and
13 the National Historical Publications Commission, established
14 by the Act of June 19, 1934 (48 Stat. 1122), (2) the
15 National Archives Trust Fund Board, established by the
16 Act of July 9, 1941 (55 Stat. 581), (3) the Board of
17 Trustees of the Franklin D. Roosevelt Library, established
18 by the Joint Resolution of July 18, 1939 (53 Stat. 1062),
19 and (4) the Administrative Committee established by sec-
20 tion 6 of the Act of July 26, 1935 (49 Stat. 501), which
21 shall hereafter be known as the Administrative Committee
22 of the Federal Register. The authority of the Adminis-
23 trator under section 106 hereof shall not extend to the
24 bodies or functions affected by this subsection.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR
ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion and from time to time, to regroup, transfer, and distribute any functions within the General Services Administration, in order to effectively accomplish such functions. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.

TRANSFER OF FUNDS

SEC. 107. All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

SALARIES OF OFFICERS

SEC. 109. Pending the effective date of other provisions of law fixing the rate of compensation of any of the following officers, namely, the Administrator of General Services, the Deputy Administrator of General Services,

1 the Commissioner of Federal Supply, the Commissioner of
2 Public Buildings, the Archivist of the United States, and
3 the Commissioner of Public Roads, and with regard
4 to existing provisions of law governing such compensa-
5 tion, the President shall fix for each of them a rate of
6 compensation which he shall deem to be commensurate with
7 the responsibilities and duties of the respective offices
8 involved.

9 TITLE II—PROPERTY MANAGEMENT

10 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

11 SEC. 201. (a) The Administrator shall, in respect of
12 executive agencies, and to the extent that he determines
13 that so doing is advantageous to the Government in terms
14 of economy, efficiency, or service, and with due regard to
15 the program activities of the agencies concerned—

16 (1) prescribe policies and methods of procurement
17 and supply of personal property and nonpersonal serv-
18 ices, including related functions such as contracting,
19 inspection, storage, issue, property identification and
20 classification, transportation and traffic management,
21 management of public utility services, repairing and
22 converting; and

23 (2) operate, and, after consultation with the execu-
24 tive agencies affected, consolidate, take over, or arrange
25 for the operation by any executive agency of ware-

1 houses, supply centers, repair shops, fuel yards, and
2 other similar facilities; and

3 (3) procure and supply personal property and
4 nonpersonal services for the use of executive agencies
5 in the proper discharge of their responsibilities, and
6 perform functions related to procurement and supply
7 such as those mentioned above in subparagraph (1); and

8 (4) with respect to transportation and other
9 public utility services for the use of executive agencies,
10 represent such agencies in negotiations with carriers
11 and other public utilities and in proceedings involving
12 carriers or other public utilities before Federal and State
13 regulatory bodies;

14 *Provided*, That the Secretary of Defense may from time
15 to time, and unless the President shall otherwise direct,
16 exempt the National Military Establishment from action
17 taken or which may be taken by the Administrator under
18 clauses (1), (2), (3), and (4) above whenever he deter-
19 mines such exemption to be in the best interests of national
20 security.

21 (b) The Administrator shall as far as practicable pro-
22 vide any of the services specified in subsection (a) of this
23 section to any other Federal agency, mixed ownership cor-
24 poration (as defined in the Government Corporation Control
25 Act), or the District of Columbia, upon its request.

1 (c) In acquiring personal property, any executive
2 agency, under regulations to be prescribed by the Admin-
3 istrator, may exchange or sell similar items, and may apply
4 the exchange allowance or proceeds of sale in such cases in
5 whole or in part payment for the property acquired: *Pro-*
6 *vided*, That any transaction carried out under the authority
7 of this subsection shall be evidenced in writing.

8 (d) Section 3709 of the Revised Statutes, as amended
9 (41 U. S. C. 5), is hereby further amended by striking out
10 the figures "\$100" wherever they appear and inserting in
11 lieu thereof the figures "\$500".

12 (e) Section 2 of the Act of February 27, 1929
13 (ch. 354, 45 Stat. 1342; 41 U. S. C. (7b)), is
14 hereby amended to read as follows: "Each executive
15 department and independent establishment shall furnish
16 from time to time, when called on to do so, estimates
17 of its requirements for inclusion in purchases which
18 it is proposed to have made by the Administrator of General
19 Services, and there shall be reserved from proper appropria-
20 tions sufficient amounts in each case to reimburse the general
21 supply fund hereinafter created. The Administrator of
22 General Services shall charge the estimated cost of supplies,
23 and bill the same to each requisitioning department and inde-
24 pendent establishment; and each such requisitioning depart-
25 ment and establishment shall reimburse said general supply

1 fund out of its appropriation upon proper vouchers. Other
2 expenses such as, breakage, shrinkage, inspection, and han-
3 dling by the General Services Administration shall be charged
4 to funds appropriated to cover such expense."

5 PROPERTY UTILIZATION

6 SEC. 202. (a) In order to minimize expenditures for
7 property, the Administrator shall prescribe policies and
8 methods to promote the maximum utilization of excess prop-
9 erty by executive agencies, and he shall provide for the
10 transfer of excess property among Federal agencies.

11 (b) Each executive agency shall (1) maintain ade-
12 quate inventory controls and accountability systems for the
13 property under its control, (2) continuously survey prop-
14 erty under its control to determine which is excess property,
15 and promptly report such property to the Administrator,
16 (3) perform the care and handling of such excess property,
17 and (4) transfer or dispose of such property as promptly
18 as possible in accordance with authority delegated and
19 regulations prescribed by the Administrator.

20 (c) Each executive agency shall, as far as practicable,
21 (1) make reassignments of property among activities within
22 the agency when such property is determined to be no longer
23 required for the purposes of the appropriation from which
24 it was purchased, (2) transfer excess property under its

1 control to other Federal agencies, and (3) obtain excess
2 property from other Federal agencies.

3 (d) Under existing provisions of law and procedures
4 defined by the Secretary of Defense, and without regard to
5 the requirements of this section except subsection (f) ex-
6 cess property of one of the departments of the National Mili-
7 tary Establishment may be transferred to another depart-
8 ment thereof.

9 (e) Transfers of excess property between Federal agen-
10 cies (except transfers for redistribution to other Federal
11 agencies or for disposal as surplus property) shall be at the
12 fair value thereof, as determined by, or pursuant to regula-
13 tions of, the Administrator, unless such transfer is other-
14 wise authorized by any law approved subsequent to June
15 21, 1944, to be without reimbursement or transfer of funds.

16 (f) The Director of the Bureau of the Budget shall
17 prescribe regulations providing for the reporting to said
18 Director by executive agencies of such reassignments or
19 transfers of property between activities financed by different
20 appropriations as he shall deem appropriate, and the re-
21 assignments and transfers so reported shall be reported to
22 the Congress in the annual budget or otherwise as said
23 Director may determine.

1 (g) Whenever the Administrator determines that the
2 temporary assignment or reassignment of any space in excess
3 real property to any Federal agency for office, storage, or
4 related facilities would be more advantageous than the
5 permanent transfer of such property, he may make such
6 assignment or reassignment for such period of time as he
7 shall determine and obtain, in the absence of appropriation
8 available to him therefor, appropriate reimbursement from
9 the using agency for the expense of maintaining such space.

10 (h) The Administrator may authorize the abandonment,
11 destruction, or donation to public bodies of property which
12 has no commercial value or of which the estimated cost
13 of continued care and handling would exceed the estimated
14 proceeds from its sale.

15 DISPOSAL OF SURPLUS PROPERTY

16 SEC. 203. (a) Except as otherwise provided in this
17 section, the Administrator shall have supervision and direc-
18 tion over the disposition of surplus property. Such property
19 shall be disposed of to such extent, at such time, in such
20 areas, by such agencies, at such terms and conditions, and in
21 such manner, as may be prescribed in or pursuant to this Act.

22 (b) The care and handling of surplus property, pending
23 its disposition, and the disposal of surplus property, may
24 be performed by the General Services Administration or,
25 when so determined by the Administrator, by the executive

1 agency in possession thereof or by any other executive
2 agency consenting thereto.

3 (c) Any executive agency designated or authorized
4 by the Administrator to dispose of surplus property may do
5 so by sale, exchange, lease, permit, or transfer, for cash,
6 credit, or other property, with or without warranty,
7 and upon such other terms and conditions as the
8 Administrator deems proper, and it may execute such docu-
9 ments for the transfer of title or other interest in property
10 and take such other action as it deems necessary or proper
11 to dispose of such property under the provisions of this title.

12 (d) A deed, bill of sale, lease, or other instrument
13 executed by or on behalf of any executive agency purporting
14 to transfer title or any other interest in surplus property
15 under this title shall be conclusive evidence of compliance
16 with the provisions of this title insofar as concerns title or
17 other interest of any bona fide grantee or transferee for value
18 and without notice of lack of such compliance.

19 (e) Unless the Administrator shall determine that dis-
20 posal by advertising will in a given case better protect the
21 public interest, surplus property disposals may be made with-
22 out regard to any provision of existing law for advertising
23 until 12 o'clock noon, eastern standard time, December 31,
24 1949.

25 (f) Subject to regulations of the Administrator, any

1 executive agency may authorize any contractor with such
2 agency or subcontractor thereunder to retain or dispose of
3 any contractor inventory.

4 (g) The Administrator, in formulating policies with
5 respect to the disposal of surplus agricultural commodities,
6 surplus foods processed from agricultural commodities, and
7 surplus cotton or woolen goods, shall consult with the Sec-
8 retary of Agriculture. Such policies shall be so formulated
9 as to prevent surplus agricultural commodities, or surplus
10 food processed from agricultural commodities, from being
11 dumped on the market in a disorderly manner and dis-
12 rupting the market prices for agricultural commodities.

13 (h) Whenever the Secretary of Agriculture determines
14 such action to be required to assist him in carrying out his
15 responsibilities with respect to price support or stabilization,
16 the Administrator shall transfer without charge to the De-
17 partment of Agriculture any surplus agricultural commod-
18 ities, foods, or cotton or woolen goods to be disposed of.
19 Receipts resulting from disposal by the Department of
20 Agriculture under this subsection shall be deposited pursuant
21 to any authority available to the Secretary of Agriculture,
22 except that net proceeds of any sale of surplus property
23 so transferred shall be credited pursuant to section 204 (b),
24 when applicable. Surplus farm commodities so transferred
25 shall not be sold, other than for export, in quantities in

1 excess of, or at prices less than, those applicable with respect
2 to sales of such commodities by the Commodity Credit
3 Corporation.

4 (i) The United States Maritime Commission shall dis-
5 pose of surplus vessels of one thousand five hundred gross
6 tons or more which the Commission determines to be mer-
7 chant vessels or capable of conversion to merchant use, and
8 such vessels shall be disposed of only in accordance with the
9 provisions of the Merchant Marine Act, 1936, as amended,
10 and other laws authorizing the sale of such vessels.

11 (j) (1) Under such regulations as he may prescribe,
12 the Administrator is authorized in his discretion to donate
13 for educational purposes in the States, Territories, and
14 possessions without cost (except for costs of care and
15 handling) such equipment, materials, books, or other sup-
16 plies under the control of any executive agency as shall have
17 been determined to be surplus property and which shall have
18 been determined under paragraph 2 or paragraph 3 of this
19 subsection to be usable and necessary for educational
20 purposes.

21 (2) Determination whether such surplus property (ex-
22 cept surplus property donated in conformity with paragraph
23 3 of this subsection) is usable and necessary for educational
24 purposes shall be made by the Federal Security Adminis-
25 trator, who shall allocate such property on the basis of needs

1 and utilization for transfer by the Administrator of General
2 Services to tax-supported school systems, schools, colleges,
3 and universities, and to other nonprofit schools, colleges, and
4 universities which have been held exempt from taxation under
5 section 101 (6) of the Internal Revenue Code, or to State
6 departments of education for distribution to such tax-sup-
7 ported and nonprofit school systems, schools, colleges,
8 and universities; except that in any State where another
9 agency is designated by State law for such purpose such
10 transfer shall be made to said agency for such distribution
11 within the State.

12 (3) In the case of surplus property under the control of
13 the National Military Establishment, the Secretary of De-
14 fense shall determine whether such property is usable and
15 necessary for educational activities that are of special in-
16 terest to the armed services, such as maritime academies
17 or military, naval, Air Force, or Coast Guard preparatory
18 schools. If such Secretary shall determine that such prop-
19 erty is usable and necessary for such purposes, he shall
20 allocate it for transfer by the Administrator to such educa-
21 tional activities. If he shall determine that such property
22 is not usable and necessary for such purposes, it may be
23 disposed of in accordance with paragraph 2 of this subsection.

24 (k) (1) Under such regulations as he may prescribe,
25 the Administrator is authorized, in his discretion, to assign

1 to the Federal Security Administrator for disposal such
2 surplus real property, including buildings, fixtures, and
3 equipment situated thereon, as is recommended by the
4 Federal Security Administrator as being needed for school,
5 classroom, or other educational use, or for use in the pro-
6 tection of public health, including research.

7 (A) Subject to the disapproval of the Administrator
8 within thirty days after notice to him by the Federal
9 Security Administrator of a proposed transfer of property
10 for school, classroom, or other educational use, the
11 Federal Security Administrator, through such officers or
12 employees of the Federal Security Agency as he may
13 designate, may sell or lease such real property, including
14 buildings, fixtures, and equipment situated thereon, for
15 educational purposes to the States and their political sub-
16 divisions and instrumentalities, and tax-supported educa-
17 tional institutions, and to other nonprofit educational
18 institutions which have been held exempt from taxation
19 under section 101 (6) of the Internal Revenue Code.

20 (B) Subject to the disapproval of the Administrator
21 within thirty days after notice to him by the Federal
22 Security Administrator of a proposed transfer of property
23 for public-health use, the Federal Security Administrator,
24 through such officers or employees of the Federal Se-
25 curity Agency as he may designate, may sell or lease

1 such real property for public-health purposes, including
2 research, to the States and their political subdivisions and
3 instrumentalities, and to tax-supported medical institu-
4 tions, and to hospitals or other similar institutions not
5 operated for profit which have been held exempt from
6 taxation under section 101 (6) of the Internal Revenue
7 Code.

8 (C) In fixing the sale or lease value of property
9 to be disposed of under subparagraph (A) and sub-
10 paragraph (B) of this paragraph, the Federal Security
11 Administrator shall take into consideration any benefit
12 which has accrued or may accrue to the United States
13 from the use of such property by any such State, political
14 subdivision, instrumentality, or institution.

15 (D) "States" as used in this subsection includes
16 the District of Columbia and the Territories and posses-
17 sions of the United States.

18 (2) Subject to the disapproval of the Administrator
19 within thirty days after notice to him of any action to be
20 taken under this subsection—

21 (A) the Federal Security Administrator, through
22 such officers or employees of the Federal Security
23 Agency as he may designate, in the case of property
24 transferred pursuant to the Surplus Property Act of
25 1944, as amended, and pursuant to this Act, to States,

1 political subdivisions, and instrumentalities thereof, and
2 tax-supported and other nonprofit educational institu-
3 tions for school, classroom, or other educational use;

4 (B) the Federal Security Administrator, through
5 such officer or employees of the Federal Security Agency
6 as he may designate, in the case of property transferred
7 pursuant to the Surplus Property Act of 1944, as
8 amended, and pursuant to this Act, to States, political
9 subdivisions and instrumentalities thereof, tax-supported
10 medical institutions, and to hospitals and other similar
11 institutions not operated for profit, for use in the pro-
12 tection of public health (including research) ;

13 (C) the Secretary of the Interior, in the case of
14 property transferred pursuant to the Surplus Property
15 Act of 1944, as amended, and pursuant to this Act, to
16 States, political subdivisions, and instrumentalities
17 thereof, and municipalities for use as a public park,
18 public recreational area, or historic monument for the
19 benefit of the public; or

20 (D) the Secretary of Defense, in the case of prop-
21 erty transferred pursuant to the Surplus Property Act
22 of 1944, as amended, to States, political subdivisions,
23 and tax-supported instrumentalities thereof for use in

the training and maintenance of civilian components of the armed forces.

is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

1 (1) The Administrator is authorized to take possession
2 of abandoned and other unclaimed property on premises
3 owned or leased by the Government, to determine when
4 title thereto vested in the United States, and to utilize,
5 transfer or otherwise dispose of such property. Former
6 owners of such property upon proper claim filed within three
7 years from the date of vesting of title in the United States
8 shall be paid the proceeds realized from the disposition of
9 such property or, if the property is used or transferred, the
10 fair value therefor as of the time title was vested in the
11 United States as determined by the Administrator, less in
12 either case the costs incident to the care and handling of
13 such property as determined by the Administrator.

14 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

15 SEC. 204. (a) All proceeds under this title from any
16 transfer of excess property to a Federal agency for its use,
17 or from any sale, lease, or other disposition of surplus prop-
18 erty, shall be covered into the Treasury as miscellaneous
19 receipts, except as provided in subsections (b), (c), and
20 (d) of this section.

21 (b) Where the property transferred or disposed of was
22 acquired by the use of funds either not appropriated from
23 the general fund of the Treasury or appropriated therefrom
24 but by law reimbursable from assessment, tax, or other rev-
25 enue or receipts, then the net proceeds of the disposition or

1 transfer shall be credited to the reimbursable fund or ap-
2 propriation or paid to the Federal agency which determined
3 such property to be excess: *Provided*, That the proceeds
4 shall be credited to miscellaneous receipts in any case when
5 the agency which determined the property to be excess shall
6 deem it uneconomical or impractical to ascertain the amount
7 of net proceeds. As used in this subsection, the term "net
8 proceeds of the disposition or transfer" means the proceeds
9 of the disposition or transfer minus all expenses incurred
10 for care and handling and disposition or transfer.

11 (c) Any Federal agency disposing of surplus property
12 under this title (1) may deposit, in a special account with
13 the Treasurer of the United States, such amount of the
14 proceeds of such dispositions as it deems necessary to permit
15 appropriate refunds to purchasers when any disposition is
16 rescinded or does not become final, or payments for breach
17 of any warranty, and (2) may withdraw therefrom amounts
18 so to be refunded or paid, without regard to the origin of
19 the funds withdrawn.

20 (d) Where any contract entered into by an executive
21 agency or any subcontract under such contract authorizes
22 the proceeds of any sale of property in the custody of the
23 contractor or subcontractor to be credited to the price or
24 cost of the work covered by such contract or subcontract,

1 the proceeds of any such sale shall be credited in accordance
2 with the contract or subcontract.

3 (e) Where any mortgage, lien, or other interest as
4 security is retained in connection with any disposition of
5 surplus property under this title, the Administrator shall
6 preserve and manage such security and may enforce and
7 settle any right of the Government with respect thereto in
8 such manner and upon such terms as he deems in the best
9 interest of the Government.

10 POLICIES, REGULATIONS, AND DELEGATIONS

11 SEC. 205. (a) The President may prescribe such poli-
12 cies and directives, not inconsistent with the provisions of
13 this Act, as he shall deem necessary to effectuate the pro-
14 visions of this Act, which policies and directives shall govern
15 the Administrator and executive agencies in carrying out
16 their respective functions hereunder.

17 (b) The Comptroller General after considering the
18 needs and requirements of the executive agencies shall pre-
19 scribe principles and standards of accounting for property,
20 cooperate with the Administrator and with the executive
21 agencies in the development of property accounting systems
22 and approve such systems when deemed to be adequate and
23 in conformity with prescribed principles and standards.
24 From time to time the General Accounting Office shall

1 examine such property accounting systems as are estab-
2 lished by the executive agencies to determine the extent
3 of compliance with prescribed principles and standards and
4 approved systems, and the Comptroller General shall report
5 to the Congress any failure to comply with such principles
6 and standards or to adequately account for property.

7 (c) The Administrator shall prescribe such regulations
8 as he deems necessary to effectuate his functions under
9 this Act, and the head of each executive agency shall cause
10 to be issued such orders and directives as such head deems
11 necessary to carry out such regulations.

12 (d) The Administrator is authorized to delegate and to
13 authorize successive redelegation of any authority trans-
14 ferred to or vested in him by this Act (except for the au-
15 thority to issue regulations on matters of policy having
16 application to executive agencies, the authority contained
17 in section 106, and as otherwise provided in this Act) to
18 any official in the General Services Administration or to
19 the head of any other Federal agency.

20 (e) With respect to any function transferred to or
21 vested in the General Services Administration or the Admin-
22 istrator by this Act, the Administrator may (1) direct the
23 undertaking of its performance by the General Services Ad-
24 ministration or by any constituent organization therein which
25 he may designate or establish; or (2) designate and authorize

1 any executive agency to perform such function for itself; or
2 (3) designate and authorize any other executive agency to
3 perform such function; or (4) provide for such performance
4 by any combination of the foregoing methods. Any designa-
5 tion or assignment of functions or delegation of authority to
6 another executive agency under this section shall be made
7 only with the consent of the executive agency concerned,
8 or upon direction of the President.

9 (f) When any executive agency (including the
10 General Services Administration and constituent organiza-
11 tions thereof) is authorized and directed by the Administrator
12 to carry out any function under this Act, the Administrator
13 may, with the approval of the Director of the Bureau of the
14 Budget, provide for the transfer of appropriate personnel,
15 records, property, and allocated funds of the General Services
16 Administration, or of such other executive agency as has
17 theretofore carried out such function, to the executive agency
18 so authorized and directed.

19 (g) The Administrator may establish advisory
20 committees, to advise with him with respect to any
21 function transferred to or vested in the Administrator by
22 this Act. The members thereof shall serve without compen-
23 sation but shall be entitled to transportation and not to
24 exceed \$25 per diem in lieu of subsistence, as authorized

1 by section 5 of the Act of August 2, 1946 (5 U. S. C.
2 73b-2), for persons so serving.

3 (h) The Administrator shall advise and consult with
4 interested Federal agencies with a view to obtaining their
5 advice and assistance in carrying out the purposes of this
6 title.

7 SURVEYS, STANDARDIZATION AND CATALOGING

8 SEC. 206. (a) As he may deem necessary for the effec-
9 tuation of his functions under this title, and after adequate
10 advance notice to the executive agencies affected, and with
11 due regard to the requirements of the National Military
12 Establishment as determined by the Secretary of Defense, the
13 Administrator is authorized (1) to make surveys of Govern-
14 ment property and property management practices and obtain
15 reports thereon from executive agencies; (2) to cooperate
16 with executive agencies in the establishment of reasonable
17 inventory levels for property stocked by them and from time
18 to time report any excessive stocking to the Congress and
19 to the Director of the Bureau of the Budget; (3) to estab-
20 lish and maintain such uniform Federal supply catalog system
21 as may be appropriate to identify and classify personal prop-
22 erty under the control of Federal agencies: *Provided*, That
23 the Administrator and the Secretary of Defense shall co-
24 ordinate the cataloging activities of the General Services
25 Agency and the National Military Establishment so as

1 to avoid unnecessary duplication; and (4) to prescribe
2 standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and
3 standard purchase specifications.

5 (b) Each Federal agency shall utilize such uniform
6 Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration
7 efficiency, economy, and other interests of the
8 Government, shall otherwise provide.

10 (c) The General Accounting Office shall audit all types
11 of property accounts and transactions at such times and in
12 such manner as determined by the Comptroller General.
13 Such audit shall be conducted as far as practicable at the
14 place or places where the property or records of the executive agencies are kept and shall include but not necessarily
15 be limited to an evaluation of the effectiveness of internal
16 controls and audits, and a general audit of the discharge of
17 accountability for Government-owned or controlled property
18 based upon generally accepted principles of auditing.

20 APPLICABILITY OF ANTITRUST LAWS

21 SEC. 207. Whenever any executive agency shall begin
22 negotiations for the disposition to private interests
23 of a plant or plants, or other property, which cost
24 the Government \$1,000,000 or more, or of patents,

1 processes, techniques, or inventions, irrespective of cost,
2 the executive agency shall promptly notify the Attorney
3 General of the proposed disposal and the probable terms
4 or conditions thereof. Within a reasonable time, in no
5 event to exceed ninety days after receiving such notifica-
6 tion, the Attorney General shall advise the Administrator
7 and the interested executive agency whether, insofar as he
8 can determine, the proposed disposition would tend to create
9 or maintain a situation inconsistent with the antitrust laws.
10 Upon the request of the Attorney General, the Adminis-
11 trator or interested executive agency shall furnish or cause
12 to be furnished such information as it may possess which
13 the Attorney General determines to be appropriate or neces-
14 sary to enable him to give the advice called for by this
15 section or to determine whether any other disposition or
16 proposed disposition of surplus property violates the antitrust
17 laws. Nothing in this Act shall impair, amend, or modify
18 the antitrust laws or limit and prevent their application to
19 persons who buy or otherwise acquire property under the
20 provisions of this Act. As used in this section, the term
21 "antitrust laws" includes the Act of July 2, 1890 (ch. 647,
22 26 Stat. 209), as amended; the Act of October 15, 1914
23 (ch. 323, 38 Stat. 730), as amended; the Federal Trade
24 Commission Act (38 Stat. 717), as amended; and sections

1 73 and 74 of the Act of August 27, 1894 (28 Stat. 570),
2 as amended.

3 EMPLOYMENT OF PERSONNEL

4 SEC. 208. (a) The Administrator is authorized, subject
5 to the civil-service and classifications laws, to appoint and fix
6 the compensation of such personnel as may be necessary
7 to carry out the provisions of titles I, II, III, and V of this
8 Act.

9 (b) To such extent as he finds necessary to carry out
10 the provisions of titles I, II, III, and V of this Act, the Ad-
11 ministrator is hereby authorized to procure the temporary
12 (not in excess of one year) or intermittent services of ex-
13 perts or consultants or organizations thereof, including steno-
14 graphic reporting services, by contract or appointment, and
15 in such cases such service shall be without regard to the
16 civil-service and classification laws, and, except in the case
17 of stenographic reporting services by organizations, without
18 regard to section 3709, Revised Statutes, as amended (41
19 U. S. C. 5).

20 (c) Notwithstanding the provisions of section 1222 of
21 the Revised Statutes (10 U. S. C. 576) or of any other
22 provision of law, the Administrator in carrying out the
23 functions imposed upon him by this Act is authorized to
24 utilize in his agency the services of officials, officers, and

1 other personnel in other executive agencies, including per-
2 sonnel of the armed services, with the consent of the head of
3 the agency concerned.

4 CIVIL REMEDIES AND PENALTIES

5 SEC. 209. (a) Where any property is transferred or
6 disposed of in accordance with this Act and any regulations
7 prescribed hereunder, no officer or employee of the Govern-
8 ment shall (1) be liable with respect to such transfer or
9 disposition except for his own fraud, or (2) be accountable
10 for the collection of any purchase price for such property
11 which is determined to be uncollectible by the Federal agency
12 responsible therefor.

13 (b) Every person who shall use or engage in, or cause
14 to be used or engaged in, or enter into an agreement, com-
15 bination, or conspiracy to use or engage in or to cause to
16 be used or engaged in, any fraudulent trick, scheme, or
17 device, for the purpose of securing or obtaining, or aiding to
18 secure or obtain, for any person any payment, property, or
19 other benefits from the United States or any Federal agency
20 in connection with the procurement, transfer, or disposition
21 of property hereunder—

22 (1) shall pay to the United States the sum of
23 \$2,000 for each such act, and double the amount of any
24 damage which the United States may have sustained by
25 reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall where-soever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

1 (d) The civil remedies provided in this section shall
2 be in addition to all other criminal penalties and civil
3 remedies provided by law.

4 REPORTS TO CONGRESS

5 SEC. 210. The Administrator shall submit a report to
6 the Congress, in January of each year and at such other
7 times as he may deem it desirable, regarding the adminis-
8 tration of his functions under this Act, together with such
9 recommendations for amendments to this Act as he may
10 deem appropriate as the result of the administration of such
11 functions, at which time he shall also cite the laws becom-
12 ing obsolete by reason of passage or operation of the pro-
13 visions of this Act.

14 TITLE III—PROCUREMENT PROCEDURE

15 DECLARATION OF PURPOSE

16 SEC. 301. The purpose of this title is to facilitate the
17 procurement of supplies and services.

18 APPLICATION AND PROCUREMENT METHODS

19 SEC. 302. (a) The provisions of this title shall be ap-
20 plicable to purchases and contracts for supplies or services
21 made—

22 (1) by the General Services Administration for the
23 use of such agency or otherwise; and

24 (2) by any other executive agency (except any
25 agency named in section 2 (a) of the Armed Services

1 Procurement Act of 1947), to the extent of and in con-
2 formity with authority delegated by the Administrator
3 pursuant to the provisions of this subsection.

4 The Administrator may delegate to the head of any other
5 such agency authority to make purchases and contracts for
6 supplies or services pursuant to the provisions of this title
7 (A) for the use of two or more executive agencies or (B)
8 in other cases upon a determination by the Administrator
9 that by reason of circumstances set forth in such determina-
10 tion such delegation is advantageous to the Government in
11 terms of economy, efficiency, or national security. Notice
12 of every such delegation of authority so made shall be fur-
13 nished to the General Accounting Office.

14 (b) It is the declared policy of the Congress that a fair
15 proportion of the total purchases and contracts for supplies
16 and services for the Government shall be placed with small-
17 business concerns. Whenever it is proposed to make a
18 contract or purchase in excess of \$10,000 by negotiation
19 and without advertising, pursuant to the authority of para-
20 graph (7) or (8) of section 302 (c) of this title, suitable
21 advance publicity, as determined by the agency head with
22 due regard to the type of supplies involved and other rel-
23 evant considerations, shall be given for a period of at least
24 fifteen days, wherever practicable, as determined by the
25 agency head.

1 (c) All purchases and contracts for supplies and serv-
2 ices shall be made by advertising, as provided in section 303,
3 except that such purchases and contracts may be negotiated
4 by the agency head without advertising if—

5 (1) determined to be necessary in the public
6 interest during the period of a national emergency
7 declared by the President or by the Congress;

8 (2) the public exigency will not admit of the delay
9 incident to advertising;

10 (3) the aggregate amount involved does not exceed
11 \$1,000: *Provided*, That no agency other than the
12 General Services Administration shall make any pur-
13 chase of, or contract for, supplies or services in excess
14 of \$500 under this paragraph except in the exercise of
15 authority conferred by the Administrator to procure and
16 furnish supplies and services for the use of two or more
17 executive agencies;

18 (4) for personal or professional services;

19 (5) for any service to be rendered by any univer-
20 sity, college, or other educational institution;

21 (6) the supplies or services are to be procured and
22 used outside the limits of the United States and its
23 possessions;

24 (7) for medicines or medical supplies;

25 (8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment

1 and interchangeability of parts and that such standard-
2 ization and interchangeability is necessary in the public
3 interest;

4 (13) for supplies or services as to which the agency
5 head determines that bid prices after advertising there-
6 for are not reasonable (either as to all or as to some part
7 of the requirements) or have not been independently
8 arrived at in open competition: *Provided*, That no
9 negotiated purchase or contract may be entered into
10 under this paragraph after the rejection of all or some
11 of the bids received unless (A) notification of the inten-
12 tion to negotiate and reasonable opportunity to negotiate
13 shall have been given by the agency head to each re-
14 sponsible bidder and (B) the negotiated price is the
15 lowest negotiated price offered by any responsible
16 supplier; or

17 (14) otherwise authorized by law.

18 (d) If in the opinion of the agency head bids received
19 after advertising evidence any violation of the antitrust laws
20 he shall refer such bids to the Attorney General for appro-
21 priate action.

22 (e) This section shall not be construed to (A) authorize
23 the erection, repair, or furnishing of any public building or
24 public improvement, but such authorization shall be required
25 in the same manner as heretofore, or (B) permit any con-

1 tract for the construction or repair of buildings, roads, side-
2 walks, sewers, mains, or similar items to be negotiated with-
3 out advertising as required by section 303, unless such con-
4 tract is to be performed outside the continental United States
5 or unless negotiation of such contract is authorized by the
6 provisions of paragraph (1), (2), (3), (9), (10), (11),
7 or (13) of subsection (c) of this section.

8 ADVERTISING REQUIREMENTS

9 SEC. 303. Whenever advertising is required—

10 (a) The advertisement for bids shall be made a sufficient
11 time previous to the purchase or contract, and specifications
12 and invitations for bids shall permit such full and free com-
13 petition as is consistent with the procurement of types of
14 supplies and services necessary to meet the requirements of
15 the agency concerned.

16 (b) All bids shall be publicly opened at the time and
17 place stated in the advertisement. Award shall be made with
18 reasonable promptness by written notice to that responsible
19 bidder whose bid, conforming to the invitation for bids, will
20 be most advantageous to the Government, price and other
21 factors considered: *Provided*, That all bids may be rejected
22 when the agency head determines that it is in the public
23 interest so to do.

24 REQUIREMENTS OF NEGOTIATED CONTRACTS

25 SEC. 304. (a) Except as provided in subsection (b)

1 of this section, contracts negotiated pursuant to section 302
2 (c) may be of any type which in the opinion of the agency
3 head will promote the best interests of the Government.
4 Every contract negotiated pursuant to section 302 (c) shall
5 contain a suitable warranty, as determined by the agency
6 head, by the contractor that no person or selling agency
7 has been employed or retained to solicit or secure such
8 contract upon an agreement or understanding for a commis-
9 sion, percentage, brokerage, or contingent fee, excepting
10 bona fide employees or bona fide established commercial or
11 selling agencies maintained by the contractor for the pur-
12 pose of securing business, for the breach or violation of
13 which warranty the Government shall have the right to
14 annul such contract without liability or in its discretion to
15 deduct from the contract price or consideration the full
16 amount of such commission, percentage, brokerage, or
17 contingent fee.

18 (b) The cost-plus-a-percentage-of-cost system of con-
19 tracting shall not be used, and in the case of a cost-plus-a-
20 fixed-fee contract the fee shall not exceed 10 per centum
21 of the estimated cost of the contract, exclusive of the fee,
22 as determined by the agency head at the time of entering
23 into such contract (except that a fee not in excess of 15
24 per centum of such estimated cost is authorized in any
25 such contract for experimental, developmental, or research

1 work and that a fee inclusive of the contractor's costs and
2 not in excess of 6 per centum of the estimated cost, exclu-
3 sive of fees, as determined by the agency head at the time
4 of entering into the contract, of the project to which such
5 fee is applicable is authorized in contracts for architectural
6 or engineering services relating to any public works or
7 utility project). Neither a cost nor a cost-plus-a-fixed-fee
8 contract nor an incentive-type contract shall be used unless
9 the agency head determines that such method of contract-
10 ing is likely to be less costly than other methods or that
11 it is impractical to secure supplies or services of the kind
12 or quality required without the use of a cost or cost-plus-
13 a-fixed-fee contract or an incentive-type contract. All cost
14 and cost-plus-a-fixed-fee contracts shall provide for advance
15 notification by the contractor to the procuring agency of
16 any subcontract thereunder on a cost-plus-a-fixed-fee basis
17 and of any fixed-price subcontract or purchase order which
18 exceeds in dollar amount either \$25,000 or 5 per centum
19 of the total estimated cost of the prime contract; and a
20 procuring agency, through any authorized representative
21 thereof, shall have the right to inspect the plans and to audit
22 the books and records of any prime contractor or subcon-
23 tractor engaged in the performance of a cost or cost-plus-a-
24 fixed-fee contract.

ADVANCE PAYMENTS

SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit

1 the whole or any part of such damages as in his discretion
2 may be just and equitable.

3 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

4 SEC. 307. (a) The determinations and decisions pro-
5 vided in this title to be made by the Administrator or other
6 agency head may be made with respect to individual pur-
7 chases and contracts or with respect to classes of purchases
8 or contracts, and shall be final. Except as provided in sub-
9 section (b) of this section, the agency head is authorized
10 to delegate his powers provided by this title, including the
11 making of such determinations and decisions, in his discre-
12 tion and subject to his direction, to any other officer or
13 officers or officials of the agency.

14 (b) The power of the agency head to make the deter-
15 minations or decisions specified in paragraphs (11) and
16 (12) of section 302 (c) and in section 305 (a) shall not
17 be delegable, and the power to make the determinations
18 or decisions specified in paragraph (10) of section 302 (c)
19 shall be delegable only to a chief officer responsible for
20 procurement and only with respect to contracts which will
21 not require the expenditure of more than \$25,000. The
22 power of the Administrator to make the delegations and
23 determinations specified in section 302 (a) shall be delegable
24 only to the Deputy Administrator of the General Services

1 Administration or to the chief official of any principal con-
2 stituent agency of the General Services Administration.

3 (c) Each determination or decision required by para-
4 graphs (10), (11), (12), or (13) of section 302 (c), by
5 section 304 or by section 305 (a) shall be based upon
6 written findings made by the official making such deter-
7 mination, which findings shall be final and shall be available
8 within the agency for a period of at least six years following
9 the date of the determination. A copy of the findings shall
10 be submitted to the General Accounting Office with the
11 contract.

12 (d) In any case where any purchase or contract is
13 negotiated pursuant to the provisions of section 302 (c),
14 except in a case covered by paragraphs (2), (3), (4),
15 (5), or (6) thereof, the data with respect to the negotiation
16 shall be preserved in the files of the agency for a period of
17 six years following final payment on such contract.

18 STATUTES CONTINUED IN EFFECT

19 SEC. 308. No purchase or contract shall be exempt
20 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
21 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
22 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
23 solely by reason of having been entered into pursuant to sec-
24 tion 302 (c) hereof without advertising, and the provisions
25 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,

1 as amended; 40 U. S. C. 324 and 325a), if otherwise
2 applicable, shall apply to such purchases and contracts.

3 DEFINITIONS

4 SEC. 309. As used in this title—

5 (a) The term “agency head” shall mean the head or
6 any assistant head of any executive agency, and may at the
7 option of the Administrator include the chief official of any
8 principal constituent agency of the General Services
9 Administration.

10 (b) The term “supplies” shall mean all property except
11 land, and shall include, by way of description and without
12 limitation, public works, buildings, facilities, ships, floating
13 equipment, and vessels of every character, type and descrip-
14 tion, aircraft, parts, accessories, equipment, machine tools
15 and alteration or installation thereof.

16 STATUTES NOT APPLICABLE

17 SEC. 310. The following provisions of law shall not
18 apply to the procurement of supplies or services (1) by
19 the General Services Administration, or (2) within the scope
20 of authority delegated by the Administrator to any other
21 executive agency:

22 Revised Statutes, section 3709, as amended (41 U. S. C.
23 5) ;

24 Revised Statutes, section 3735 (41 U. S. C. 13) ;

1 Sections 1 and 2 of the Act of October 10, 1940 (54
2 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

3 **TITLE IV—FOREIGN EXCESS PROPERTY**

4 **DISPOSAL OF FOREIGN EXCESS PROPERTY**

5 SEC. 401. Each executive agency having foreign excess
6 property shall be responsible for the disposal thereof: *Pro-*
7 *vided*, That (a) the head of each such executive agency
8 shall, with respect to the disposition of such property, con-
9 form to the foreign policy of the United States; (b) the
10 Secretary of State shall have the authority to use foreign
11 currencies and credits acquired by the United States under
12 section 402 (b) of this Act in order to effectuate the pur-
13 poses of section 32 (b) (2) of the Surplus Property Act
14 of 1944, as amended, and the Foreign Service Buildings
15 Act of May 7, 1926, as amended (including Public Law
16 547, Seventy-ninth Congress (60 Stat. 663)), and for
17 the purpose of paying any other governmental expenses pay-
18 able in local currencies, and the authority to amend, modify,
19 and renew agreements in effect on the effective date of
20 this Act; (c) any foreign currencies or credits acquired
21 by the Department of State pursuant to such agreements
22 shall be administered in accordance with procedures that
23 may from time to time be established by the Secretary of
24 the Treasury and, if and when reduced to United States
25 currency, shall be covered into the Treasury as miscellaneous

1 receipts; and (d) the Department of State shall, except to
2 such extent as the President shall otherwise determine, con-
3 tinue to perform other functions with respect to agreements
4 for the disposal of foreign excess property in effect on the
5 effective date of this Act.

6 METHODS AND TERMS OF DISPOSAL

7 SEC. 402. Foreign excess property may be disposed of
8 (a) by sale, exchange, lease, or transfer, for cash, credit,
9 or other property, with or without warranty and upon such
10 other terms and conditions as the head of the executive
11 agency concerned deems proper; but in no event shall any
12 agricultural commodity, food, or cotton or woolen goods be
13 sold without a condition forbidding their importation into
14 the United States, unless the Secretary of Agriculture deter-
15 mines that such property is in short supply in this country,
16 or (b) for foreign currencies or credits, or substantial bene-
17 fits or the discharge of claims resulting from the compromise
18 or settlement of such claims by any executive agency in
19 accordance with the law, whenever the head of the execu-
20 tive agency concerned determines that it is in the interest
21 of the United States to do so. Such property may be dis-
22 posed of without advertising when the head of the executive
23 agency concerned finds so doing to be most practicable and
24 to be advantageous to the Government. The head of each
25 executive agency responsible for the disposal of foreign

1 excess property may execute such documents for the transfer
2 of title or other interest in property and take such other
3 action as he deems necessary or proper to dispose of such
4 property; and may authorize the abandonment, destruction,
5 or donation of foreign excess property under his control
6 which has no commercial value or the estimated cost of
7 care and handling of which would exceed the estimated
8 proceeds from its sale.

9 PROCEEDS, FOREIGN CURRENCIES

10 SEC. 403. Proceeds from the sale, lease, or other dis-
11 position of foreign excess property, (a) shall, if in the
12 form of foreign currencies or credits, be administered in ac-
13 cordance with procedures that may from time to time be
14 established by the Secretary of the Treasury, and (b) shall,
15 if in United States currency, or when any proceeds in foreign
16 currencies or credits shall be reduced to United States cur-
17 rency, be covered into the Treasury as miscellaneous re-
18 cepts: *Provided*, That the provisions of section 204 (b)
19 (which by their terms apply to property disposed of under
20 title II) shall be applicable to proceeds of foreign excess
21 property disposed of for United States currency under this
22 title IV: *And provided further*, That any executive
23 agency disposing of foreign excess property under this title
24 (1) may deposit, in a special account with the Treasurer of
25 the United States, such amount of the proceeds of such dis-

positions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) Each executive agency responsible for the dis-

1 posal of foreign excess property under this title shall submit
2 a report to Congress in January of each year or at such
3 other times as he may deem desirable relative to its activities
4 under this title, together with any appropriate recom-
5 mendations.

6 (e) There shall be transferred from the Department of
7 State to each other executive agency affected by this title
8 such records, property, personnel, obligations, commitments,
9 and unexpended balances of appropriations, allocations, and
10 other funds, available or to be made available, as the Direc-
11 tor of the Bureau of the Budget shall determine to relate to
12 functions of such agency under this title which have here-
13 tofore been administered by the Department of State.

14 TITLE V—GENERAL PROVISIONS

15 APPLICABILITY OF EXISTING PROCEDURES

16 SEC. 501. All policies, procedures, and directives
17 prescribed—

18 (a) by either the Director, Bureau of Federal Sup-
19 ply, or the Secretary of the Treasury and relating to
20 any function transferred to or vested in the Adminis-
21 trator, by the provisions of this Act;

22 (b) by any officer of the Government under the
23 authority of the Surplus Property Act of 1944, as
24 amended, or under other authority with respect to sur-
25 plus property or foreign excess property;

(c) by or under the authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act.

in effect upon the effective date of this Act and not inconsistent therewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except sections 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949.

(2) that portion of the Act entitled "An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June

1 30, 1949, and for other purposes", approved June 30,
2 1948 (Public Law 862, Eightieth Congress), as
3 amended, appearing under the caption "Surplus prop-
4 erty disposal";

5 (3) the Act entitled "An Act to authorize the
6 Secretary of War to dispose of material no longer needed
7 by the Army", approved February 28, 1936 (49 Stat.
8 1147; 10 U. S. C. 1258) ;

9 (4) the Act entitled "An Act to authorize the
10 Secretary of the Navy to dispose of material no longer
11 needed by the Navy", approved May 23, 1930, as
12 amended (46 Stat. 378; 34 U. S. C. 546c) ;

13 (5) section 5 of the Act of July 11, 1919 (41
14 Stat. 67; 40 U. S. C. 311) ;

15 (6) the first and second provisos contained in the
16 fifth paragraph under the heading "Division of Sup-
17 ply" in section 1 of the Act of December 20, 1928
18 (45 Stat. 1030; 40 U. S. C. 311a) ;

19 (7) the Act entitled "An Act to authorize the
20 Secretary of the Army, the Secretary of the Navy, and
21 the Secretary of the Air Force to donate excess and
22 surplus property for educational purposes", approved
23 July 2, 1948 (Public Law 889, Eightieth Congress) ;

24 (8) section 203 of the Act of June 26, 1943 (57
25 Stat. 195, as amended; 5 U. S. C. 118d-1) ;

(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d) ;

(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494) ;

(12) the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9) ;

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546) ;

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548) ;

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271) ;

1 (16) the Act of May 11, 1939 (53 Stat. 739;
2 10 U. S. C. 1271a) ;

3 (17) the fifth paragraph under the heading "Office
4 of the Chief Signal Officer" of the Act of May 12, 1917
5 (40 Stat. 43, as amended; 10 U. S. C. 1272) ;

6 (18) the third proviso contained in the second
7 paragraph under the heading "Office of the Chief Signal
8 Officer" of the Act of March 4, 1915 (38 Stat. 1064;
9 10 U. S. C. 1273) ;

10 (19) the fourteenth paragraph under the heading
11 "Smithsonian Institution" of section 1 of the Act of
12 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66) ;

13 (20) the second paragraph under the heading
14 "Government hospital for the insane" of section 1 of
15 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
16 173) ;

17 (21) the second paragraph under the heading
18 "Saint Elizabeths Hospital" of section 1 of the Act of
19 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174) ;

20 (22) the proviso contained in the second para-
21 graph under the heading "Bureau of Supplies and Ac-
22 counts" of the Act of August 22, 1912 (37 Stat. 346;
23 34 U. S. C. 531a) ;

24 (23) the second proviso of the first paragraph

under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532) ;

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723) ;

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118) ;

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26) ;

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58) ; and

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not

1 be subject to the provisions of any law inconsistent herewith,
2 except that sections 205 (b) and 206 (c) of this Act shall
3 not be applicable to any Government corporation or agency
4 which is subject to the Government Corporation Control Act
5 (59 Stat. 597; 31 U. S. C. 841).

6 (d) Nothing in this Act shall impair or affect any
7 authority of—

8 (1) the President under the Philippine Property
9 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

10 (2) any executive agency with respect to any phase
11 (including, but not limited to, procurement, storage,
12 transportation, processing, and disposal) of any pro-
13 gram conducted for purposes of resale, price support,
14 grants to farmers, stabilization, transfer to foreign gov-
15 ernments, or foreign aid, relief, or rehabilitation: *Pro-*
16 *vided*, That the agency carrying out such program shall,
17 to the maximum extent practicable, consistent with the
18 fulfillment of the purposes of the program and the effec-
19 tive and efficient conduct of its business, coordinate its
20 operations with the requirements of this Act and the
21 policies and regulations prescribed pursuant thereto;

22 (3) any executive agency named in the Armed
23 Services Procurement Act of 1947, and the head thereof,
24 with respect to the administration of said Act;

25 (4) the National Military Establishment with re-

1 spect to property required for or located in occupied
2 territories;

3 (5) the Secretary of Defense with respect to the
4 administration of the National Industrial Reserve Act
5 of 1948;

6 (6) the Secretary of Defense, the Munitions Board,
7 and the Secretaries of the Army, Navy, and Air Force
8 with respect to the administration of the Strategic and
9 Critical Materials Stock Piling Act (60 Stat. 596),
10 and provided that any imported materials which the
11 authorized procuring agency shall certify to the Com-
12 missioner of Customs to be strategic and critical ma-
13 terials procured under said Act may be entered, or
14 withdrawn from warehouse, free of duty;

15 (7) the Secretary of State under the Foreign Serv-
16 ice Buildings Act of May 7, 1926, as amended:

17 (8) the Secretary of the Army, the Secretary of
18 the Navy, and the Secretary of the Air Force with
19 respect to the administration of section 1 (b) of the
20 Act entitled "An Act to expedite the strengthening of
21 the national defense", approved July 2, 1940 (54
22 Stat. 712) ;

23 (9) the Secretary of Agriculture or the Depart-
24 ment of Agriculture under (A) the National School
25 Lunch Act (60 Stat. 230) ; (B) the Farmers Home

1 Administration Act of 1946 (60 Stat. 1062) ; (C) the
2 Act of August 31, 1947, Public Law 298, Eightieth
3 Congress, with respect to the disposal of labor supply
4 centers, and labor homes, labor camps, or facilities; (D)
5 section 32 of the Act of August 24, 1935 (49 Stat.
6 774), as amended, with respect to the exportation and
7 domestic consumption of agricultural products; or (E)
8 section 201 of the Agricultural Adjustment Act of
9 1938 (52 Stat. 36) or section 203 (j) of the Agri-
10 cultural Marketing Act of 1946 (60 Stat. 1082) ;

11 (10) the Secretary of Agriculture, Farm Credit
12 Administration, or any farm credit board under section
13 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
14 with respect to the acquisition or disposal of property;

15 (11) the Housing and Home Finance Agency, or
16 any officer or constituent agency therein, with respect
17 to the disposal of residential property, or of other prop-
18 erty (real or personal) held as part of or acquired for
19 or in connection with residential property, or in connec-
20 tion with the insurance of mortgages, loans, or savings
21 and loan accounts under the National Housing Act;

22 (12) the Tennessee Valley Authority with respect
23 to nonpersonal services, with respect to the matters re-
24 ferred to in section 201 (a) (4), and with respect
25 to any property acquired or to be acquired for or in con-

nection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450) ;

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and recondi-

tioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

(17) Central Intelligence Agency;

(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he

1 deems such action necessary to effectuate the provisions
2 of title II; nor

3 (19) for such period of time as the President
4 may specify, any other authority of any executive agency
5 which the President determines within one year after
6 the effective date of this Act should, in the public
7 interest, stand unimpaired by this Act.

8 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

9 AUTHORITY

10 SEC. 503. (a) There are hereby authorized to be ap-
11 propriated such sums as may be necessary to carry out the
12 provisions of this Act.

13 (b) When authorized by the Director of the Bureau
14 of the Budget, any Federal agency may use, for the dis-
15 position of property under this Act, and for its care and
16 handling pending such disposition, any funds heretofore or
17 hereafter appropriated, allocated, or available to it for pur-
18 poses similar to those provided for in sections 201, 202,
19 203, and 205 of this Act.

20 SEPARABILITY

21 SEC. 504. If any provision of this Act, or the applica-
22 tion thereof to any person or circumstances, is held invalid,
23 the remainder of this Act, and the application of such pro-

1 vision to other persons or circumstances, shall not be affected
2 thereby.

3 EFFECTIVE DATE

4 SEC. 505. This Act shall become effective on July 1,
5 1949, except that (1) the provisions of section 502 (a)
6 (2) shall become effective on June 30, 1949; (2) the
7 provisions of section 201 (e) shall become effective on
8 July 1, 1950.

Passed the House of Representatives June 8, 1949.

Attest:

RALPH R. ROBERTS,

Clerk.

81ST CONGRESS
1st Session

H. R. 4754

AN ACT

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

JUNE 9 (legislative day, JUNE 2), 1949

Read twice and ordered to be placed on the calendar

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1280. A bill to amend the Federal Airport Act so as to limit to 10 percent any increase of the amount stated as a maximum obligation under a grant agreement; with amendments (Rept. No. 515);

S. 1283. A bill to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in certain areas, and for other purposes; with amendments (Rept. No. 518); and

S. 1285. A bill to authorize progressive partial payments to contractors under the Federal airport program; with amendments (Rept. No. 516).

By Mr. HILL, from the Committee on Appropriations:

H. R. 3082. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 517).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 17, 1949, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 55) to print the monthly publication entitled "Economic Indicators."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER:

S. 2098. A bill for the relief of Fuastino Esmele Eclevia, Purification Esmele Eclevia, and Manuel Esmele Eclevia; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. 2099. A bill to reimburse the Stamey Construction Co. and/or the Oklahoma Paving Co., as their interests appear; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 2100. A bill for the relief of Penelope Corolyn Cox; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2101. A bill for the relief of Mrs. Nancy Belle Norton; to the Committee on the Judiciary.

By Mrs. SMITH of Maine:

S. 2102. A bill to abolish the commissioned officer grade of brigadier general in the Army, the Air Force, and the Marine Corps; to provide for the classification of major generals of the Army, the Air Force, and the Marine Corps as major generals upper half and major generals lower half; and for other purposes; and

S. 2103. A bill to abolish the classification of rear admirals of the Navy and Coast Guard as rear admirals upper half and lower half; to establish the grade of commodore in the Navy and Coast Guard, and for other purposes; to the Committee on Armed Services.

By Mr. THOMAS of Oklahoma:

S. 2104. A bill to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. O'MAHONEY (for himself, Mr. HAYDEN, Mr. McFARLAND, and Mr. MALONE):

S. 2105. A bill to stimulate exploration for and conservation of strategic and critical ores, metals, and minerals, and for other purposes; to the Committee on Interior and Insular Affairs.

HOUSE BILL REFERRED

The bill (H. R. 4963) to provide for the appointment of additional circuit and district judges, and for other purposes, was read twice by its title, and referred to the Committee on the Judiciary.

FOOD PROBLEMS AND FARM PROGRAMS— ADDRESS BY SENATOR AIKEN

[Mr. MORSE asked and obtained leave to have printed in the RECORD an address entitled "Food Problems and Farm Programs," delivered by Senator AIKEN before the fiftieth annual convention of the National Association of Retail Grocers, Chicago, Ill., June 12, 1949, which appears in the Appendix.]

ADDRESS BY SENATOR ANDERSON AT COMMENCEMENT EXERCISES OF ST. LAWRENCE UNIVERSITY

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD the commencement address entitled "The Amazing Interlude," delivered by him at St. Lawrence University, Canton, N. Y., on June 12, 1949, which appears in the Appendix.]

INCREASED PAY FOR POSTAL EMPLOYEES—STATEMENT BY G. M. HIGLEY

[Mr. LANGER asked and obtained leave to have printed in the Appendix of the RECORD a statement by G. M. Higley, in support of Senate bill 558 and Senate bill 1772, which appears in the Appendix.]

THE EUROPEAN-AID PROGRAM—ARTICLE BY GEORGE SOKOLSKY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "European Aid Program is Puzzling," written by George Sokolsky, and published in the Washington (D. C.) Times-Herald of June 16, 1949, which will appear hereafter in the Appendix.]

UNITED STATES POLICY WEAKENED BY FAVORITISM—ARTICLE BY EDGAR A. MOWRER

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "United States Policy Weakened by Favoritism," written by Edgar A. Mowrer, and published in the Philadelphia Inquirer of June 13, 1949, which appears in the Appendix.]

PROPAGANDA AND THE LAW—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Propaganda and the Law," published in the Washington Evening Star of April 21, 1949, which appears in the Appendix.]

DISPLACED PERSONS LEGISLATION

Mr. WILEY. Mr. President, I received yesterday a very important statement from the Honorable James A. Farley, the Honorable Herbert H. Lehman and Harper Sibley urging action on displaced persons legislation in this session of the Congress. Needless to say, I agree with these gentlemen and with a long and impressive list of cosigners of their communication on the importance of Congress taking action on this humanitarian front.

I wish that there were time to enumerate the many famous American names who joined with these three leaders in sending the communication.

I believe that their appeal merits a favorable response by the Congress. I ask unanimous consent that the text of the letter and the enclosed statement

be printed at this point in the CONGRESSIONAL RECORD along with some comments which I have personally made on this displaced persons subject.

NEW YORK, June 15, 1949.

The Honorable ALEXANDER WILEY,
Senate Office Building,

Washington, D. C.

DEAR SENATOR WILEY: We are writing to submit to you, on behalf of ourselves and the other sponsors, the enclosed appeal for consideration of displaced persons legislation.

Representatives of the three faiths, President Truman, Governor Dewey, leaders of every group and each party, all have united in sponsoring the amendments necessary to make the Displaced Persons Act of 1948 fair, just and workable. These amendments were introduced into the House by Representative CELLER; into the Senate by Senators McGrath and Neely last January.

The House of Representatives has fully exercised its responsibility by passing the modified Celler bill on June 2. We now, therefore, address this appeal to the Senate of the United States to act on displaced persons legislation before Congress recesses in order that displaced persons may be permitted to come here under a sound and equitable law of which Americans may be proud.

We are grateful to you for your consideration and help in this matter which lies so close to the conscience of all of us.

Sincerely yours,

JAMES A. FARLEY.
HERBERT H. LEHMAN.
HARPER SIBLEY.

Today silent people wait on both sides of the Atlantic. Today is the time for them to speak, and yet no voice is heard.

In Europe the silent people are the displaced persons—hundreds of thousands of dispossessed people. They are the ones who were uprooted and carried off as slave labor by the Nazis. They are the ones who fled before bloody pogroms. They are the ones who escaped the fury of communism.

Four years after the end of the war their hands still remain lacerated against the barbed wire of their existence, their hearts still torn by an eternity of waiting. They have no voice; their silence is poignant and accusing.

In America the voice of the people has called out to help the displaced persons.

But the Senate of the United States—an officially chosen voice of the American people—has remained silent. Unless the Senate will speak, the net result is a silence which becomes the shame of all Americans.

Last January a measure was introduced into the Senate—the McGrath-Neely bill, S. 311. This bill amends the Displaced Persons Act of 1948—an act which thinking men and women of all faiths and parties and walks of life have condemned as unworkable, ungenerous, and unjust.

Though many months have passed, the McGrath-Neely bill still stands in the Senate, waiting behind a barrier of red tape and cold indifference, as do the very people it was designed to rescue. This bill needs only action to become alive.

In the spirit of our honored past, in the name of those who have made our country great, in the name of human conscience, we respectfully ask the Senate of the United States to pass the McGrath-Neely bill now.

We appeal to the Senate to speak with justice and dispatch, so that our Nation may continue to walk with dignity and honor in the eyes of God and man.

COMMENTS BY SENATOR WILEY ON DP LAW

I, for one, feel that—

1. The Nation is looking to us, in the Senate to revise the present displaced-persons law at the earliest possible date.

which a limited period of work stoppage would be damaging, is likely to occur. Moreover, insofar as atomic energy is concerned, it seems to me that special legislation should be enacted to meet such a condition as would be involved in that highly critical industrial field.

I would reiterate, moreover, that no national emergency plan yet devised in and of itself would prevent a work stoppage in the final analysis. It will be recalled that, even under the national emergency provision of the Taft-Hartley Act, there was a prolonged work stoppage in the west coast shipping dispute after the 80-day injunction period had expired. Indeed, when the national emergency provision in the Taft-Hartley Act was drafted, as at least some of the present Members of the Senate will recall, it was the general expectation of those who participated in its drafting that in the case of a serious labor-management controversy, which could not be resolved through the processes provided in that provision, ultimate specific action would be required of the Congress.

Right here is the point toward which every national emergency proposal now under consideration inevitably is directed. Not one of these proposals in and of itself provides a final solution. Every one of them looks to the Congress for ultimate action if the emergency is not to be resolved by the procedures they contain.

The place where I differ with the proponents of the other proposals, aside from the one contained in the Thomas amendment, is in my strong feeling that it is not necessary to set up legal machinery which would authorize seizure of whole industries which are national in scope or the use of the injunction against employees in those industries to achieve the results we seek. The procedure contained in the proposal I submit can and should be wholly effective and far more desirable in obtaining these results.

In the first place, because of this procedure, the President would not be likely to proclaim a national emergency provoked by a labor-management dispute unless he were sure that such emergency existed.

In the second place, both labor organizations and management would hesitate considerably before occasioning a work stoppage in industries involved in such an emergency, when by such work stoppage they would bring the whole matter immediately before the Congress for action.

In the third place, if the Congress perchance were to be faced with a crisis of this nature and under these conditions, it should be in a most advantageous position to pass ad hoc legislation geared appropriately to meet the immediate situation.

Here, Mr. President, I desire to digress, to refer to some objections which have been made in connection with the observations or statements I have just made. Obviously, the main force of the approach which I present is psychological in character. In and of itself, it possesses nothing which could be harmful to either management or labor; but by the very process which I point out—the

bringing of the matter to the attention of the Congress for action, as I have just indicated—there would be a natural hesitancy on the part of either management or labor to provoke a condition which would bring about such a consequence as I have indicated.

So, also, it has been suggested that the Congress itself—stirred up, as it might be, under conditions of this nature—would be in no position to take reasonable or sound action. Mr. President, I wish to say that, stirred up though the Congress might be, and might rightfully be, nevertheless, through the operation of the procedures I have outlined—the action, in the first place, of the Emergency Board; and then, in the second place, the submission to the Congress of the recommendation of the Emergency Board and the recommendation of the President, and other related matters which might come before it—the Congress would not be surprised, would not be taken off guard by a situation of this nature. Ample opportunity would have been afforded to know the facts, to know the background, to become accustomed, acclimated, if you please, to the situation which might confront the Congress. So I have no apprehension regarding a situation of this nature. As I see it, with this procedure operating as it should, the Congress definitely would be in a most desirable position to enact legislation of a temporary nature applying only to the immediate dispute in question.

Then, in the fourth place—and this is something which must not be forgotten, because it is so vital in all that we are contemplating—the free play of mediation, conciliation, conference, and persuasion would be given the greatest possible latitude with the least possible restriction.

Finally, in the fifth place, the opportunity for reaching a peaceful settlement of the labor-management dispute should be at a maximum and interference with such settlement should be at a minimum, and there should be a far greater chance that a settlement thus reached would be durable.

As devices for helping to achieve industrial peace and to bring about a satisfactory agreement under conditions such as those we are now considering, either seizure or the injunction is, at best, of most dubious value. Where the injunction by indirection would seem to reflect against labor, seizure by the same line of reasoning would appear to be an indictment of management and ownership. Furthermore, seizure opens up avenues of encroachment by Government into private enterprise, which are not pleasant to contemplate.

The proposal I make through my amendment would prevent undue interference by Government, either in the activities of labor organizations and workers, through the injunction, or in the operation of industry, through seizure. It should be productive of a better feeling between management and labor than can be realized by any possible device which would force labor to work against its will, or force industry to operate by Government edict and under Government direction. Most of all, as a means

to prevent a work stoppage, the plan I propose, as I have already emphasized, should prove fully as effective as seizure, or the injunction, or both.

Mr. THOMAS of Utah. Mr. President, at this time, before we take a vote, I think it would be wise for us to review the various amendments which have been offered, so that we can in a way summarize and keep in our mind the differences between the various phases that are before us. That is rather hard to do. The differences are not great, and yet they are important. For example, the opposition which is made to the original provision of the bill is, as the Senator from New York—[Mr. IVES] has already said, not directed to the provision or to what it might accomplish; it is directed to a ruling on what might be the President's power in regard to national emergencies. Therefore, before we can or should vote on these matters, I think it is very vital that we should have them well before us.

In the original bill, which is the proper place, I imagine, to begin, there is no mention of injunction and no mention of seizure. There is mention merely of certain things which the President shall do in case he finds the country in a state of national emergency due to a stoppage of work in an industry affecting the entire Nation. We did not think in terms of national emergencies until very recently in our history. The phrase itself undoubtedly came into existence as a result of the Taft-Hartley law. But our country got along for a great many years without the phrase and without thinking about whether the President had or had not such power. Under the Thomas bill, which is an attempt to get away from the harsh provision of the Taft-Hartley law, a law which some of us at least do not think has worked to the advantage of industry and labor, the national emergency would be handled first of all by the President, who would issue a proclamation calling attention to the fact that there is an emergency. His findings in connection with the emergency would be such that he would call upon the parties to the dispute to continue work in the public interest. He would then establish a cooling-off period, to begin with the issuance of the proclamation and to continue for 5 days after the filing of a report, but not longer than 30 days. In the proclamation a commission would be set up. An attempt would be made to arrive at terms.

The whole thing is based upon the theory that the dispute is an honest one, that it is not fictitious, that the employer and employees have earnestly tried to settle their grievances with one another, but have failed. Under the President's proclamation, work must continue. I hope no one will ask me how it is to be forced in case there is a work stoppage. It is merely assumed that the President of the United States will be dealing with American citizens and that they will respond in all seriousness to his request that they continue work.

An emergency board is set up promptly by Presidential appointment. The board is required to make a study and

Mr. FERGUSON. I agree with the Senator, and I shall be in favor of such a method in the Appropriations Committee, as I have been in the past. I hope we can do it by this method.

Mr. DOUGLAS. I should like to raise the question whether it is not also true that the bills which we have passed, except the first deficiency bill, are still in conference with the House, and we can also act by conceding to the position of the House in connection with those bills in which we increased the amount of the appropriations. In the civil functions bill the House appropriation was \$593,000,000. That was raised by the Senate to \$751,000,000.

I hope the discussion which the Senator from Michigan has carried on in a very interesting fashion will give to our conferees the intestinal fortitude which will enable them to save \$160,000,000. I hope we can save close to a billion dollars on the Military Establishment, and cut foreign aid by, say, approximately \$150,000,000. I think we still have within our own hands the power to reduce appropriations for the independent offices by \$2,000,000,000.

I hope in this discussion, instead of anyone attempting to say it is the executive branch or it is the Democratic side of the aisle which is responsible—

Mr. FERGUSON. The Senator from Michigan has not said that.

Mr. DOUGLAS. I hope the discussion will not take that turn. I hope we shall all set ourselves to the task of saving \$2,000,000,000, which, it seems to me, is something we can do within the next 10 days.

Mr. FERGUSON. I hope those in charge of the conferences will heed what has been said on both sides.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator from Michigan has been somewhat critical of the Senator from Illinois—

Mr. FERGUSON. No.

Mr. LUCAS. He has taken the position that the Senator refused to have taken up the joint resolution to which reference has been made. Does the Senator from Michigan think it is fair to insist that the majority leader should do that when there are great differences to be considered and when the Committee on Appropriations should consider them, rather than to force the issue on the floor at this moment?

Mr. FERGUSON. I will answer the Senator by saying that I am sorry the majority leader does not allow us to vote on the particular joint resolution in order that we might pass it before—

Mr. LUCAS. Why is the Senator so anxious to have it passed, when \$30,000,000,000 is yet to be considered by the Appropriations Committee, of which the Senator from Michigan is a member? Does he not think that, after all, the Appropriations Committee will exercise its constitutional authority in the matter of appropriations, without saying in advance that we are going on record now for a joint resolution which directs or authorizes the President of the United

States to cut appropriations. The Senator is completely abdicating his authority and saying, "I am not going to consider the Appropriations Committee. We will just act on the appropriations bills as the President recommended them, and then we will pass a resolution on the floor telling him to cut the amount." That is what it means.

Mr. FERGUSON. No. The Senator from Michigan will insist in the Appropriations Committee that we cut the appropriations by whatever method we can. The Senator from Michigan believes they can be cut. This resolution would be added protection. The President could take any future results in committee into consideration when he makes his cuts in expenditures. The resolution directs him to make reductions of expenditures of between 5 and 10 percent for a single purpose which is common to all our efforts. That purpose, as the resolution states, is to keep expenditures within estimated receipts for fiscal 1950. We seek a balanced budget to avoid new taxes and deficit spending. It can be accomplished by reduced appropriations and by reduced expenditures.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield.

Mr. McCLELLAN. Will the Senator advise me how long his speech will take?

Mr. FERGUSON. Not more than 2 or 3 minutes.

Mr. McCLELLAN. I thank the Senator.

Mr. FERGUSON. I have spoken of the Detroit News questionnaire, and before I conclude I wish to give the current figures, as I have them. The latest count with reference to a cut in Federal expenditures shows there were 3,763 for a 10-percent cut and 176 against it.

I also wish to repeat my hope that the Senator from Arkansas will, at a very early date, move to make the regular order of business Senate Joint Resolution 108, in order that the Senate of the United States may vote upon it and so that we may know what our course must be. I am satisfied that the Appropriations Committee, if the Senate turns it down, will be forced to use a less scientific method of cutting the budget, namely, the rescission method. This year the committee does not have the staff required to do all the cutting. But if there is no alternative, it will be able to do the job in a less scientific way should the Senate and the House turn down or refuse to act on the joint resolution.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. FERGUSON. Mr. President, I yield the floor.

PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate take up for immediate consideration Senate bill 2020.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

There being no objection, the Senate proceeded to consider the bill (S. 2020)

to simplify the procurement, utilization and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

Mr. MYERS. Mr. President, on behalf of the Senator from Kansas [Mr. REED] and myself I send to the desk several amendments and ask to have them stated.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. On page 17, line 15, after the word "classification", it is proposed to strike out "transportation and traffic management."

On page 18, after line 5, to strike out:

(4) With respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies.

And in lieu thereof, to insert the following:

(4) With respect to public utility services for the use of executive agencies, represent such agencies in negotiations with public utilities and in proceedings involving public utilities before Federal and State regulatory bodies.

On page 62, line 8, after the word "forms", to strike out the period and insert a comma and the words "transportation, and traffic management."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Pennsylvania [Mr. MYERS] for himself and the Senator from Kansas [Mr. REED].

The amendments were agreed to.

Mr. HAYDEN. Mr. President, I desire to offer two amendments to the bill.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 3, line 19, after the word "Government," it is proposed to insert "(except the Senate and the House of Representatives)".

On page 18, line 22, after the name "District of Columbia," to insert "or the Senate, or the House of Representatives,".

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Arizona [Mr. HAYDEN].

The amendments were agreed to.

Mr. AIKEN. Mr. President, I send to the desk an amendment to the bill and ask for its consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 58, line 2, after the word "sections," it is proposed to insert "13 (d)."

And in line 4, after the numerals "1947," to insert a colon and the following proviso: "Provided, That, with respect to the disposal under this act of any surplus real estate, all priorities and preferences provided for in said act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Vermont [Mr. AIKEN].

The amendments were agreed to.

Mr. McCLELLAN. Mr. President, if there are no further amendments to be offered to the bill, I move that House bill 4754, a companion bill passed in the House of Representatives, be taken up for consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

Mr. McCLELLAN. Mr. President, I move to strike all after the enacting clause of House bill 4754 and insert in lieu thereof Senate bill 2020 as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to, as follows:

SHORT TITLE

That this act may be cited as the "Federal Property and Administrative Services Act of 1949."

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

Title I—Organization

Sec. 101. General Services Agency.

Sec. 102. Abolition of Federal Supply and transfer of contract settlement functions.

Sec. 103. Transfer of affairs of the Federal Works Agency.

Sec. 104. Records management; transfer of the National Archives.

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

Sec. 106. Redistribution of functions.

Sec. 107. Transfer of funds.

Sec. 108. Status of transferred employees.

Sec. 109. General supply fund.

Title II—Property management

Sec. 201. Procurement, warehousing, and related activities.

Sec. 202. Property utilization.

Sec. 203. Disposal of surplus property.

Sec. 204. Proceeds from transfer or disposition of property.

Sec. 205. Policies, regulations, and delegations.

Sec. 206. Surveys and standardization.

Sec. 207. Applicability of antitrust laws.

Sec. 208. Employment of personnel.

Sec. 209. Civil remedies and penalties.

Sec. 210. Reports to Congress.

Title III—Procurement procedure

Sec. 301. Declaration of purpose.

Sec. 302. Application and procurement methods.

Sec. 303. Advertising requirements.

Sec. 304. Requirements of negotiated contracts.

Sec. 305. Advance payments.

Sec. 306. Waiver of liquidated damages.

Sec. 307. Administrative determinations and delegations.

Sec. 308. Statutes continued in effect.

Sec. 309. Definitions.

Sec. 310. Statutes not applicable.

Title IV—Foreign excess property

Sec. 401. Disposal of foreign excess property.

Sec. 402. Methods and terms of disposal.

Sec. 403. Proceeds; foreign currencies.

Sec. 404. Miscellaneous provisions.

Title V—General provisions

Sec. 501. Applicability of existing procedures.

Sec. 502. Repeal and saving provisions.

Sec. 503. Authorization for appropriations,

Sec. 504. Separability.

Sec. 505. Effective date.

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

DEFINITIONS

SEC. 3. As used in this act—

(a) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

(c) The term "Administrator" means the Administrator of General Services provided for in title I hereof.

(d) The term "property" means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

(f) The term "foreign excess property" means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(g) The term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of the Federal Government, as determined by the Administrator.

(h) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

(i) The term "person" includes any corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "nonpersonal services" means such contractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term "contractor inventory" means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

TITLE I—ORGANIZATION

GENERAL SERVICES AGENCY

SEC. 101. (a) There is hereby established an agency in the executive branch of the

Government which shall be known as the General Services Agency.

(b) There shall be at the head of the General Services Agency an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Agency a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this act as the President shall designate.

(e) The President is authorized to fix the compensation of the Administrator, the Deputy Administrator, and of the heads and assistant heads of the principal organizational units of the General Services Agency at such rates (not in excess of \$15,000 per annum) as he shall deem to be commensurate with the responsibilities and duties of their respective offices.

ABOLITION OF BUREAU OF FEDERAL SUPPLY AND TRANSFER OF CONTRACT SETTLEMENT FUNCTIONS

SEC. 102. (a) The functions of the Bureau of Federal Supply in the Department of the Treasury and its records, property, personnel, obligations, and commitments, are hereby transferred to the Administrator of General Services, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V of this act. The functions of the Director of the Bureau of Federal Supply, and the functions of the Secretary of the Treasury, relating to the Bureau of Federal Supply and the Director thereof, are hereby transferred to the Administrator. The Bureau of Federal Supply and the office of the Director of the Bureau of Federal Supply are hereby abolished.

(b) The functions of the director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan No. 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Agency as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the appeal board established under section 13 (d) of that act are transferred from the Department of the Treasury to the General Services Agency, but the functions of these boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Agency such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this sec-

tion which the Director of the Bureau of the Budget shall, within 10 days after the effective date of this act, determine to be essential to the orderly administration of the affairs of the agencies of such department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said department, as said director shall determine.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) There are hereby transferred to the General Services Agency the Public Roads Administration and its functions, records, property, personnel, obligations, and commitments. All other functions, records, property, personnel, obligations, and commitments of the Federal Works Agency, of the Federal Works Administrator, and of the Commissioner of Public Buildings are hereby transferred to the Administrator of General Services.

(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Work Administrator, the office of the Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

(c) Without regard to the provisions of section 103 (b), the President may continue, for such duration as he shall determine, as a constituent agency of the General Services Agency, the heretofore existing Bureau of Community Facilities of the Federal Works Agency.

RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Agency. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

(b) There are also transferred to the General Services Agency the following bodies, together with their respective functions: (1) The National Archives Council and the National Historical Publications Commission, established by the act of June 19, 1934 (48 Stat. 1112), (2) the National Archives Trust Fund Board, established by the act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the joint resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Agency. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Agency, and with the approval of the Director of the Bureau of the Budget to make appropriate transfers of funds in connection therewith.

TRANSFER OF FUNDS

SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this act, shall be transferred to the General Services Agency for use in connection with the functions to which such balances relate, respectively.

(b) When other functions are transferred to the General Services Agency from any Federal agency, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Agency as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Agency, and their reappointment shall not be required by reason of the enactment of this act.

GENERAL SUPPLY FUND

SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such act of February 27, 1929. The capital of the general supply fund shall be in an amount not greater than \$100,000,000. The general supply fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blank-book work for field warehouse

issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Agency on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within 45 days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired

by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Agency: *Provided*, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect to executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with the regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided*, That contracts for public utility services may be made for periods not exceeding 10 years; and

(4) with respect to public utility services for the use of executive agencies, represent such agencies in negotiations with public utilities and in proceedings involving public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items (provided that such items are exchanged as a general practice in trade channels), and may apply the exchange allowances or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

PROPERTY UTILIZATION

SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator, unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

(g) Whenever the Administrator determine that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Agency or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash,

credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) The United States Maritime Commission shall dispose of surplus vessels of 1,500 gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable for educational purposes.

(2) Determination whether such property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for

transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) Subject to the disapproval of the Administrator within 30 days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and to other nonprofit educational institutions, and to tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(B) Subject to the disapproval of the Administrator within 30 days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(D) "States" as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

(2) Subject to the disapproval of the Administrator within 30 days after notice to him of any action to be taken under this subsection—

(A) the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(i) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer, or otherwise dispose of such property. Former owners of such property upon proper claim filed within 3 years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value thereof as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as misce-

laneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

POLICIES, REGULATIONS, AND DELEGATIONS

SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this act, as he shall deem necessary to effectuate the provisions of this act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

(b) The Comptroller General shall prescribe principles and standards of accounting for property, after considering the needs and requirements of the executive agencies, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this act, and the head of each Federal agency shall cause to

be issued such orders and directives as such head deems necessary to carry out such regulations.

(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this act) to any official in the General Services Agency or to the head of any other Federal agency.

(e) With respect to any function transferred to or vested in the General Services Agency or the Administrator by this act, the Administrator may (1) direct the undertaking of its performance by the General Services Agency or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

(f) When any executive agency (including the General Services Agency and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Agency, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

SURVEYS AND STANDARDIZATION

SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from Federal agencies; (2) to cooperate with executive agencies in the establishment or reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator shall coordinate his activities hereunder with the cataloging activities of the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

(b) Each executive agency shall utilize such uniform Federal supply catalog system and standard purchase specifications as far as practicable, taking into consideration efficiency, economy, and other interests of the Government.

(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

APPLICABILITY OF ANTITRUST LAWS

SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed 30 days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this act. As used in this section, the term "antitrust laws" includes the act of July 2, 1890 (26 Stat. 209, as amended); the act of October 15, 1914 (38 Stat. 730, as amended); the Federal Trade Commission Act (38 Stat. 717, as amended); and sections 73 and 74 of the act of August 27, 1894 (28 Stat. 570, as amended).

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of title I, II, III, and V of this act.

(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this act, the Administrator is hereby authorized to procure the temporary (not in excess of 1 year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

CIVIL REMEDIES AND PENALTIES

SEC. 209. (a) Where any property is transferred or disposed of in accordance with this act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this act, together with such recommendations for amendments to this act as he may deem appropriate as the result of the administration of this act.

TITLE III—PROCUREMENT PROCEDURE

DECLARATION OF PURPOSE

SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

APPLICATION AND PROCUREMENT METHODS

SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

(1) by the General Services Agency for the use of such agency or otherwise; and

(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection.

The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive

agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least 15 days, wherever practicable, as determined by the agency head.

(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

(2) the public exigency will not admit of the delay incident to advertising;

(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Agency shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any university, college, or other educational institution;

(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning 6 months after the effective date of this title and at the end of each 6-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices

after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

(14) otherwise authorized by law.

(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

REQUIREMENT OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 percent of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 percent of such estimated cost is authorized in any

such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 percent of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 percent of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

ADVANCE PAYMENTS

SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a

chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Agency.

(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least 6 years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of 6 years following final payment on such contract.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said acts and of the act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term "agency head" shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Agency.

(b) The term "supplies" shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type, and description (except the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools, and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Agency, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5);

Revised Statutes, section 3735 (41 U. S. C. 13);

Sections 1 and 2 of the act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended

(including Public Law 547, 79th Cong. (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this act.

METHODS AND TERMS OF DISPOSAL

SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any agricultural commodity, food, or cotton or woolen goods be sold without a condition forbidding their importation into the United States, unless the Secretary of Agriculture determines that such property is in short supply in this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

PROCEEDS, FOREIGN CURRENCIES

SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem neces-

sary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) Each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

TITLE V—GENERAL PROVISIONS

APPLICABILITY OF EXISTING PROCEDURES

SEC. 501. All policies, procedures, and directives prescribed—

(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator by the provisions of this act;

(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this act,

in effect upon the effective date of this act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except sections 13 (d) 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan No. 1 of 1947: *Provided*, That, with respect to the disposal under this act of any surplus real estate, all priorities and preferences provided for in said act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

(2) that portion of the act entitled "An act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 662, 80th Cong.), as amended, appearing under the caption "Surplus property disposal";

(3) the act entitled "An act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

(4) the act entitled "An act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

(5) section 5 of the act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

(6) section 1 of the act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

(7) the act entitled "An act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes," approved July 2, 1948 (Public Law 889, 80th Cong.);

(8) section 203 of the act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

(9) the act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

(10) the second proviso contained in the paragraph of the act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

(12) the twenty-sixth paragraph under the heading "National Parks" of the act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

(16) the act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

(17) the fifth paragraph under the heading "Office of the Chief Signal Officer" of the act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

(18) the third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

(19) the fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

(20) the second paragraph under the heading "Government hospital for the insane" of section 1 of the act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

(21) the second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

(28) the act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

(29) section 4 of the act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

(30) the act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

(31) section 1 of the act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order No. 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms, transportation and traffic management.

(c) The authority conferred by this act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

(d) Nothing in this act shall impair or affect any authority of—

(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this act and the policies and regulations prescribed pursuant thereto;

(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said act;

(4) the National Military Establishment with respect to property required for or located in occupied territories;

(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said act may be entered, or withdrawn from warehouse, free of duty;

(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

(8) the Secretary of the Army and the Secretary of the Air Force with respect to the administration of section 1 (b) of the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940 (54 Stat. 712);

(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment

Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (50 Stat. 1082);

(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force-account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General of the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II;

(17) the Central Intelligence Agency; nor

(18) for such period of time as the President may specify, any other authority of any executive agency which the President determines within 1 year after the effective date of this act should, in the public interest, stand unimpaired by this act.

(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out "\$100" wherever it appears therein and inserting in lieu thereof "\$500."

(f) The Administrator shall report to the Congress, in January of each year, and at such other times as he may deem it desirable, the laws becoming obsolete by reason of the passage or operation of titles II and III of this act.

AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes simi-

lar to those provided for in sections 201, 202, 203, and 205 of this act.

SEPARABILITY

SEC. 504. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

EFFECTIVE DATE

SEC. 505. This act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949.

The **PRESIDING OFFICER**. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 4754) was read the third time and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have incorporated in the RECORD immediately following the passage of the bill a statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

There has never been a greater challenge to scientific management than that which exists today. The world is beset with crumbling and decadent institutions. The unprecedented changes in the fields of Government, economics, and science during the past half century have literally strained the established institutions of society to the breaking point. Every year change and the need for change is evident. Fantastic advances are being made in the realm of scientific achievement. This within itself presents a whole new series of problems in the sociological and economic areas of human conduct.

A world that has been beset with two world wars in a period of 25 years inevitably finds itself confronted with the need of rebuilding a society that literally has crumbled under the impact of economic and political pressure. No matter where we look, there is a crying need for effective and scientific utilization of our human and physical resources. In a world rich with people and natural resources we find approximately 75 percent of that world afflicted with poverty, disease, and turmoil. In Europe, Asia, and Africa, the issue of the proper utilization of our human and natural resources is the basic problem of our time.

People everywhere look to the United States for guidance, help, and experience. Our country is the cornerstone of freedom. It is the beacon light in a storm filled world. Fortunately for mankind we are blessed with tremendous reserves of scientific knowledge, practical experience in Government and an essentially sound economic system. We have the resources to back our commitments but like all nations and all people these resources are not unlimited. The efficient management of these resources becomes ever more important when we view our great responsibilities in a world that looks to us for help.

Our problem is not only one of being able to help others. It is also one of so directing our own energies and using our own resources as to be able to maintain an economy that is capable of giving an ever-rising standard of living to the American people while extending the helpful hand of charity and rehabilitation to others.

Yes; in our own economy we are forced by necessity, if not by humanity to do more—

much more for our own people. We are compelled by the obligations of our leadership and our own responsibility to strengthen our own economy. The basic threat to our political and economic institutions does not lie outside our own borders but rather lies within. We are now facing the issue as to whether or not our Government has the strength and the integrity to properly direct its efforts in such a way as not to deplete the strength of our national economy.

We must provide for our own citizens but the cost of our Government is running perilously high. Our task is to obtain the maximum use and production use of every budget dollar. Economy in government does not necessarily mean spending less. It basically means obtaining the most that is humanly possible out of every dollar committed to public service. The question of economy in government could well be stated not in terms of dollar appropriations but in the use of those appropriations. The effective use of public revenues is directly concerned with proper organization of administration. Modern tools of government are no longer matters of academic theory. They are absolute essentials if we are to continue our program of social welfare, public improvement, and international leadership.

The biggest business in the world—the Government of the United States—can no longer be managed with the political instruments of the eighteenth and nineteenth centuries. Government in the United States is no longer a simple thing that can be left to political chance and mediocre administration. A twentieth-century economy propelled by the boundless energy of mass production industry and constantly accelerated with new advances in the field of science cannot be managed or regulated with the mechanism of a hodge-podge, unplanned, unrelated, administrative establishment. The need for governmental reform and organization is imperative. It is a matter of sound economics and literally life or death for American political and economic survival. When 20 percent of the national income is utilized by the Federal Government, it is time to take stock of the means and methods which are employed in the use and expenditure of such a vast sum.

It is for these reasons that I strongly support the basic recommendations of the Commission on Reorganization commonly known as the Hoover Commission. This is not a partisan issue. It is not one of mere dollars or of the number of governmental employees. It is an issue that runs deep into the very survival of free government and a free economy. Either we learn how to manage government or the bigness of government will overwhelm us. Either we learn how to properly utilize the vast sums of public revenues and how to appropriately control and manage their use or we will bleed our economy into an impoverished condition. This is the issue the Congress faces in its consideration of the legislation which is now before it, namely S. 2020 and H. R. 4754, which would create a new agency entitled the Office of General Services. It is this agency which affords a real opportunity for those in Government service to make a significant saving for the American taxpayer.

The Director of the Budget recently estimated that the annual cost of the National Government is about 20 percent of our national income. It is around \$42,000,000,000 a year! It only reached the billion mark during World War I except for the Civil War year 1864. Our national debt as of May 24 was about \$252,000,000,000. And yet, despite our gloomy fiscal picture, we need to do more essential things in the way of health, schools, homes, conservation of resources, and recreation for our people. How can it be done?

Obviously, we must do more at less cost! We must practice better management in

Government and in industry. We must get more from our resources and from our tax dollars.

If tax money is to be saved, we should examine to see how it is being expended. I have been surprised to learn that, except for the cost of personnel, the cost of supplies, equipment, transportation of things, and related objects constitute the greatest element of cost in our Federal budget.

I would like for you to consider with me some figures derived from analyses made by the Bureau of the Budget.

Summary of obligations by object (estimate, fiscal year 1949)

Object classification:	Millions of dollars
01 Personal services.....	8,869
03 Transportation of things.....	853
04 Communication services.....	58
05 Rents and utility services.....	184
06 Printing and binding.....	45
08 Supplies and materials.....	4,380
09 Equipment.....	2,299
Total.....	7,819
Total supplies and equipment only.....	6,679

The personnel cost of administering objects 03-09 is included in object 01. The Hoover Commission Task Force on Supply reported an estimate of 150,000 persons on this work with annual salaries of \$440,000,000. But salaries of part-time workers are not included in this total.

To know the object of our costs is revealing but let's consider for a moment who does the spending with respect to these objects. In this connection we learn that the National Military Establishment will spend in the fiscal year 1949, 83 percent of the supply money, 90 percent of the equipment money and 60 percent of the transportation money.

Where is the money spent? This is a difficult question. However, in the continental United States there were as of December 1946, 46,865 offices operated by Government agencies in the 3,050 counties of the United States. This means that on the average there were 15 Government offices in each and every county of the United States. We know that each office uses paper, pencils, typewriters, space, cars, files, telephones, electricity and many other things.

Before attempting any solutions, I would like to give you some more figures showing the scope of our supply, space, records management and related problems.

The Hoover Commission Task Force Report on Federal Supply (p. 2) indicated that the agencies had an inventory of approximately \$27,000,000,000 about a year ago. This is a minimum figure since some agencies consider inventory as expended when it is issued to various kinds of sub-units. As a matter of fact, property accounting is such that we don't know the extent of our inventories.

No one has the slightest idea as to the value of personal property that is in use in the Government. And as to the value of real property, we know much less.

As to one class of equipment, i. e., motor vehicles, the Budget Bureau report for the fiscal year ending June 30, 1948 shows:

Civilian vehicles in continental United States on hand June 30, 1948

	Number	Miles run ¹	Cost of operation, maintenance
Automobiles.....	20,888	241,248,415	\$8,075,240
Trucks, ambulances, etc.....	59,374	282,469,047	31,134,080

¹ Does not include vehicles reported on hourly basis.

Information as to military vehicles is sketchy. However, it is estimated that the Government has approximately 1,000,000 vehicles of all types in all agencies. They probably cost \$2,000,000,000. This does not include aircraft and ships and other floating equipment. Not counting the combat vehicles, but including the noncombat (administrative) vehicles, of the military agencies, more than 237,000 motor vehicles were operated by the Federal Government as of June 30, 1948, approximately 180,000 of them within the continental United States. You can estimate that each vehicle ran 6,000 miles so the 237,000 administrative type vehicles ran about 1,400,000,000 miles. Remember this does not include the much greater number of combat vehicles. You may do your own computing of gas consumed at 9.8 miles per gallon for automobiles and considerably less for trucks on the average. You may also be interested to learn that the civilian agencies as of January 1947 had 391 federally-owned and operated automotive repair facilities in the continental United States. From the taxpayers' point of view, can we justify the situation where several agencies have repair shops in the same town? Isn't it fair to expect that the agencies can get along and not duplicate staff, space, and equipment?

The semiannual report of the Public Buildings Administration as of December 31, 1948, shows that the Government owned or rented almost 31,000,000 square feet of space in the Washington area. The uses of the space were as follows:

Office	13,849,074
Files	5,162,287
Storage.....	3,297,570
Special equipment.....	1,963,790
Concessions	978,470
Libraries, exhibits, conference rooms, auditoriums.....	1,161,400
Building maintenance.....	986,373
Garages	547,696
Assigned vacant space.....	417,128
All other space.....	2,469,688
Total.....	30,833,476

Please note that some 14,000,000 feet of space were used for office purposes and some 10,000,000 feet for files, storage and special equipment. Over 5,000,000 feet for files alone; The net space in the Pentagon is only 3,689,66 feet. 134 of the 199 buildings, with an area of 28,000,000 feet, were Government-owned and 65, with 2.6 million feet, were leased.

At this point, I would like to raise a question—Does the Government really need all this space?

What about the space situation in the field where approximately 9/10 of the employees work? Accurate figures are not available but we know that there are Government-owned or occupied buildings in the 46,865 offices throughout the country that use millions of feet of space. In this connection, the Senate Committee on Expenditures in Report No. 1517, Eightieth Congress, 2nd Session, reported that as of December 31, 1947, the Government leased over 28,000,000 square feet of space in the 48 States and District of Columbia. Of this, 17,500,000 square feet were in 20 cities. The Senate Report makes this pertinent comment:

"The United States Government is the largest single user of space in the Nation. Offices for its departments, agencies, and field branches; storage space for files, war surplus and strategic materials, and equipment; conference, training, and examination rooms to consider and process the many Federal activities initiated by Congress in the public interest; and numerous other activities have necessitated the establishment of a widespread policy of Government ownership of property extending into all the States and practically every city in the

United States. The Public Buildings Administration estimates that the Federal Government held by lease or title, as of December 31, 1947, a total of 340,500,000 square feet of space, of which approximately 31,300,000 square feet are located in Washington, D. C., the seat of the Government. The remainder is spread over the entire Nation."

It has not been possible to obtain data as to warehouse space in use in the United States but recent figures from the National Military Establishment alone show that in 130 locations in the United States, the gross storage space is about 530,000,000 square feet. Of this amount, about 240,000,000 square feet, or 45 percent, is open storage most of which is improved hard-standing space. Two hundred and ninety million feet or 55 percent is covered space. That is roughly the equivalent of 80 Pentagon buildings.

The cataloging experts have estimated that there are some 12,700,000 items listed in the Federal agency supply catalogs. When duplications are eliminated, the number may be around 3,000,000.

The picture of general statistics would not be complete without some mention of forms. I have already stated that our printing and binding cost for this fiscal year will be around \$45,000,000. Much of that is for forms. The space statistics show that over 8,000,000 feet are used for files and storage. A great deal of this is for forms both new and used.

It is estimated that an average agency uses 1,000 different forms. Of these only 5 to 20 percent are standard forms. Using a conservative figure of 100 agencies, we find that at least 100,000 different forms are in use. A few years ago, it was estimated that the Government uses several billion envelopes per year.

It is not my intention to overwhelm and confuse this audience by quoting a great mass of statistical data. However, it is my intention to convey to you an idea of the enormity and complexity of the supply and related general-services problems in the Federal Government at the present time. It should be abundantly clear to everyone that the time for constructive action is past due.

It seems to me that a short historical review of action that has been taken with respect to this important subject will be of help in orienting our thinking at the present time.

The Constitution in article IV gave to the Congress:

"Power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States."

That is the fundamental property management charter. What has been done under it?

In 1789 Congress passed an act (now R. S. 161) providing that each

"Department head was authorized to prescribe regulations, not inconsistent with law, for the Government of his department—and the custody, use and preservation of the records, papers, and property appertaining to it."

It should be remembered that in Washington's administration there were only three departments in our Government. The population of our country in 1790 was 3,929,214. The average annual expenditures from 1789-1800 were \$5,776,000. For the present fiscal year it is estimated that 12 agencies will spend in excess of \$500,000,000 each. Puny and undernourished, indeed, is the agency that will not spend as much as the entire Government did during the period 1789-1800. In fact, there are many agencies that today spend more than the entire Government did before the World War I period.

When the Government was small and the agencies few, there was no need for comprehensive property legislation and Revised Statutes 161 which left the departments in-

dependent to buy, use, and dispose, and manage without regard to other agencies, was adequate.

But as the agencies grew in size and number common problems arose in Government and with respect to vendors who asked for uniformity in forms and procedures. Common problems call for common solutions. So functional concepts that cross agency boundaries emerged to challenge the peace of mind of the heretofore autonomous agency heads. The situation is comparable to "States rights" versus interstate commerce. Common problems require common solution through central control.

In 1861 Revised Statutes 3709 with respect to competitive bidding was enacted. This was required since several agencies were buying in unrelated ways. So the Government and the vendors needed the protection of a simple law to provide for common practices.

By 1877 the Congress was aware of the lack of adequate property accounting, so the act now known as Revised Statutes 197 provided that the Secretaries of the Departments "shall keep, in proper books, a complete inventory of all the property belonging to the United States in the buildings, rooms, offices, and grounds occupied by them, respectively, and under their charge, adding thereto, from time to time, an account of such property as may be procured subsequently to the taking of such inventory, as well as an account of the sale or other disposition of any such property, except supplies of stationery and fuel in the public offices and books, pamphlets, and papers in the Library of Congress."

In 1910 a General Supply Committee was established to eliminate duplications in specifications and to buy common items for all agencies.

Strangely enough no one seemed to anticipate the surplus problem of World War I, so it was not until December 3, 1918, that President Wilson issued Executive Order 3019 to deal with surpluses in the District of Columbia. Prior to this time, the surplus-property problem had been very small and each agency took care of its own needs—there were no common areas.

Executive Order 3019 directed that surplus materials, supplies, and equipment should be transferred to the Secretary of the Treasury for reissue to other Government establishments through the General Supply Committee. The committee thus claimed all surplus material and endeavored to classify, warehouse, repair, and reissue it. It was estimated that by June 1921 there existed an inventory of surplus stocks of approximately \$5,000,000,000. Incidentally, I ask the general public to note that a much bigger job has been done much better in connection with World War II surplus property. Gen. Charles G. Dawes, assuming the post of first Director of the Bureau of the Budget, set about disposing of this surplus before deterioration. On July 27, 1921, he issued Budget Circular No. 15 approved by the President. The basic provisions of Budget Circular No. 15 which created the Coordinating Service were:

1. To provide for the prompt location, inspection, and inventorying of supplies and to determine whether they had been reported as surplus.

2. To supervise the purchase functions of all departments and establishments coordinating purchasing with the transfer, sale, or disposal of Government property.

3. To fix the fair market price in transfers of surplus property between departments, and to determine whether public surplus property sales should be held, and are in the interest of the Government.

The Coordinating Service was established to take action with respect to certain weaknesses which were found in Government service during World War I. It was dedicated to enabling the President, in matters

of routine business, to so coordinate the activities of the different departments and establishments as will insure the most economical and efficient expenditure of moneys appropriated by Congress.

Under the Coordinating Service, 12 boards composed of representatives of departments and establishments in Washington were created. They were:

- The Federal Purchasing Board.
- The Federal Traffic Board.
- The Coordinator for Motor Transport of the District of Columbia.
- The Federal Specifications Board.
- The Interdepartmental Board of Contracts and Adjustments.
- The Federal Real Estate Board.
- The Interdepartmental Board on Simplified Office Procedure.
- The Coordinator for Purchases.
- The Interdepartmental Patents Board.
- The Forest Protection Board.
- The Federal Standard Stock Catalog Board.
- The Permanent Conference on Printing (an activity already in existence at the time, it was also announced as an agency for coordination).

Most of these boards remained in operation for several years. While some worthwhile work was accomplished by the boards, none had legal authority to enforce action and in the final analysis was merely an advisory agency dependent upon participating agencies for staff and funds. They did, however, highlight certain common practices which required attention and subsequently when the Procurement Division of the Treasury Department was created many of the functions of the Coordinating Service were transferred to the new agency.

It is significant to note that the supply and related problems which arose during the stress and strain of World War I have been repeated and reemphasized during World War II.

Executive Order 6166 of June 10, 1933, pursuant to the Economy Act of 1932, established the Procurement Division in the Treasury Department and it was presumably given broad authority with respect to procurement functions in the Federal Government. While Executive Order 6166 provided a theoretical charter for all types of supply activities, emphasis in operation has been placed upon purchasing, specifications, and special emergency programs and very little has been accomplished in the way of traffic management, warehousing, and the broader phases of supply management.

During the thirties, the liquidation of emergency agencies, such as CCC, NYA, and WPA, created certain property-disposal problems since large quantities of property became available for use in the Government establishments generally. The concept of a property-utilization program began to develop in the Bureau of the Budget and in the Bureau of Federal Supply. This concept may be expressed as a combined procurement-use-surplus property program. In other words, use well what is available before going to the open market for more. Don't buy what you have. This concept has as a corollary the idea of inventory control, positive item identification, and a central clearance agency.

As stated in a Federal Inventory Control System prepared by representatives of the GAO, Budget Bureau, and Treasury:

"Property cannot be managed if its identity, classification, location, quantity, and physical characteristics are not known. What is it? Where is it? How much is there of it? These are some of the questions to which management needs the answers. In most Federal agencies studied, management does not appear to have adequate answers to these questions."

With the advent of World War II and the critical need for many types of property, the Bureau of the Budget was instrumental in

obtaining the issuance of Executive Order 9235 which had provisions for the survey, identification, and declaration of property which was actually surplus to the needs of Government agencies and the provision that the Procurement Division of the Treasury Department should undertake certain warehousing, rehabilitation, and distribution of supplies and equipment, including the consolidation of facilities of other agencies, as might be necessary in furthering the property utilization program of the Federal Government.

Under this Executive order there has been a stimulation of property management in the Federal Government. Since the order was predicated on the First War Powers Act primarily, it was a temporary directive. By 1942 it became apparent that the time had come to develop comprehensive property management legislation dealing with all phases of a complicated subject instead of treating the closely related parts piecemeal as had been the approach in the past. Bills were introduced by the Seventy-seventh and Seventy-eighth Congresses to develop permanent property legislation. But in 1943 and 1944 Congress became deluged with surplus property legislation which culminated in the Surplus Property Act of 1944, so the development of permanent legislation was temporarily set aside. It is noteworthy that the Surplus Property Subcommittee of the Committee on Military Affairs, pursuant to Senate Resolution 129 in subcommittee print No. 14, December 30, 1946, urged "the appropriate committees of Congress to carry on with respect to permanent property management legislation where the Seventy-eighth Congress left off."

Executive Order 9425 of February 19, 1944, established the Surplus War Property Administration which superseded the surplus-property phases of Executive Order 9235. The section relative to consolidation of warehouses remains effective and during the period 1942 to 1945 the Procurement Division, with the approval of the Director of the Bureau of the Budget, consolidated many agency warehouses into a national system of 12 common service centers located at Boston, New York, Washington, Atlanta, Cleveland, Chicago, Kansas City, Denver, Fort Worth, Seattle, San Francisco, and Los Angeles.

As the volume of war-surplus material diminished and the administrative expenses of the War Assets Administration correspondingly increased, the President, in a special message dated March 5, 1948, recommended that the Congress renew consideration of comprehensive property-management legislation and directed the Federal Works Administrator to submit a draft bill. Following the general pattern of that draft, this committee unanimously reported out a bill termed the Federal Property Act of 1948 (S. 2754, 80th Cong.) which would have provided a uniform system for property management. Due to the press of other work, the Senate did not take up this bill before adjournment.

As everyone in this audience is aware, the Congress passed Public Law 162 which was approved July 7, 1947, and established the Commission on Reorganization of the Executive Branch of the Government. The task force did a great amount of work with respect to the Federal Supply system of the Government and also with respect to a related subject, Records Management. Accordingly, the Commission on Reorganization in February 1949 issued a report recommending the establishment of an Office of General Services. This office would include the Bureau of Federal Supply, the National Archives, part of the Public Buildings Administration, War Assets Administration, and it also provides that certain other institutions such as the District of Columbia, the Smithsonian Institution, the Na-

tional Park and Planning Commission, the National Capital Housing Authority, and the Commission on Fine Arts report directly to the head of the General Services Agency rather than to the overburdened President of the United States. It is significant to note that the recommendations of the Commission on Reorganization closely relate to the administration bill, Senate 2754, Eightieth Congress, which has now become Senate 1809 and upon which hearings have been held before the Expenditures Committees in both Houses. However, the bills now before Congress, that is, S. 2020 (H. R. 4754) would create a new agency, the Office of General Services, and transfer thereto—

- (1) Bureau of Federal Supply.
- (2) War Assets Administration.
- (3) Federal Works Agency.
- (4) National Archives Establishment.

I want to repeat that the time is at hand to take some definite action toward better management and it should begin with a basic reorganization of our property and records system. At the beginning of my remarks I said that the United States must remain strong from within if we are to maintain a strong foreign policy. It is crystal clear that we cannot do this if we are to waste our national wealth. Conservation of our national wealth, of course, encompasses many factors in our economy. I am directing my remarks today only to that of proper management in Government—management in particular in the fields of equipment, materials, and supplies and the use and disposition of such property. S. 2020 and H. R. 4754, or better known as the General Services Agency bill deals directly with the problems of inventory, procurement, maintenance, transportation, records, management, and the operation and maintenance of public buildings.

This bill provides an efficient business-like system of property management. It is the result of long study and has the full support of the Hoover Commission. The passage of this bill is essential if the executive branch of Government is to be properly reorganized.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. EASTLAND, Mr. HOEY, Mr. MCCARTHY, and Mr. IVES conferees on the part of the Senate.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Senate bill 2020 and Senate bill 1809 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPENSATION TO THE SWISS GOVERNMENT FOR WAR DAMAGE—CONFERENCE REPORT

Mr. PEPPER. Mr. President, I submit a conference report on House bill 4392, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, having met, after full and free conference, have

81ST CONGRESS
1ST SESSION

H. R. 4754

81ST CONGRESS
1ST SESSION

H. R. 4754

IN THE SENATE OF THE UNITED STATES

JUNE 21 (legislative day, JUNE 2), 1949

Ordered to be printed with the amendment of the Senate

AN ACT

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 That this Act may be cited as the “Federal Property
5 and Administrative Services Act of 1949”.

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 2. Definitions.

~~TITLE I—ORGANIZATION~~

Sec. 101. General Services Administration.

Sec. 102: Transfer of Bureau of Federal Supply and contract settlement functions:

~~See: 102. Transfer of affairs of the Federal Works Agency.~~

See: 404. Records management: Transfer of the National Archives.

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

TABLE OF CONTENTS—Continued

TITLE I—ORGANIZATION—Continued

- Sec. 106. Redistribution of functions.
- Sec. 107. Transfer of funds.
- Sec. 108. Status of transferred employees.
- Sec. 109. Salaries of officers.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
- Sec. 202. Property utilization.
- Sec. 203. Disposal of surplus property.
- Sec. 204. Proceeds from transfer or disposition of property.
- Sec. 205. Policies, regulations, and delegations.
- Sec. 206. Surveys and standardization and cataloging.
- Sec. 207. Applicability of antitrust laws.
- Sec. 208. Employment of personnel.
- Sec. 209. Civil remedies and penalties.
- Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
- Sec. 402. Methods and terms of disposal.
- Sec. 403. Proceeds; foreign currencies.
- Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
- Sec. 502. Repeal and saving provisions.
- Sec. 503. Authorization for appropriations.
- Sec. 504. Separability.
- Sec. 505. Effective date.

1

DECLARATION OF POLICY

2

SEC. 2. It is the intent of the Congress in enacting this

3

legislation to provide for the Government an economical and

4

efficient system for (a) the procurement and supply of per-

sonal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; ~~(b)~~ the utilization of available property; ~~(c)~~ the disposal of surplus property; and ~~(d)~~ records management.

DEFINITIONS

SEC. 3. As used in this Act—

~~(a)~~ The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

~~(b)~~ The term “Federal agency” means any executive agency or any establishment in the legislative or judicial branch of the Government.

~~(c)~~ The term “Administrator” means the Administrator of General Services provided for in title I hereof.

~~(d)~~ The term “property” means any interest in property of any kind except ~~(1)~~ the public domain and lands reserved or dedicated for national forest or national park purposes; and ~~(2)~~ naval vessels of the following cate-

1 gories: Battleships, cruisers, aircraft carriers, destroyers, and
2 submarines.

3 (c) The term "excess property" means any property
4 under the control of any Federal agency which is not required
5 for its needs and the discharge of its responsibilities, as
6 determined by the head thereof.

7 (f) The term "foreign excess property" means any
8 excess property located outside the continental United
9 States, Hawaii, Alaska, Puerto Rico, and the Virgin
10 Islands.

11 (g) The term "surplus property" means any excess
12 property not required for the needs and the discharge of
13 the responsibilities of any Federal agency, as determined
14 by the Administrator.

15 (h) The term "care and handling" includes: cleaning,
16 ing, repairing, converting, rehabilitating, operating, pre-
17 serving, protecting, insuring, packing, storing, handling,
18 conserving, and transporting excess and surplus property,
19 and, in the case of property which is dangerous to public
20 health or safety, destroying or rendering innocuous such
21 property.

22 (i) The term "person" includes any corporation, part-
23 nership, firm, association, trust, estate, or other entity.

24 (j) The term "nonpersonal services" means such ser-

1 tractual services, other than personal and professional
2 services, as the Administrator shall designate.

3 ~~(k)~~ The term "contractor inventory" means ~~(1)~~
4 any property acquired by and in the possession of a con-
5 tractor or subcontractor under a contract pursuant to the
6 terms of which title is vested in the Government, and in
7 excess of the amounts needed to complete full performance
8 under the entire contract; and ~~(2)~~ any property which
9 the Government is obligated to take over under any type
10 of contract as a result either of any changes in the speci-
11 fications or plans thereunder or of the termination of such
12 contract ~~(or subcontract thereunder)~~, prior to completion
13 of the work, for the convenience or at the option of the
14 Government.

15 TITLE I—ORGANIZATION

16 GENERAL SERVICES ADMINISTRATION

17 SEC. 101. ~~(a)~~ There is hereby established an agency
18 in the executive branch of the Government which shall be
19 known as the General Services Administration.

20 ~~(b)~~ There shall be at the head of the General Services
21 Administration an Administrator of General Services who
22 shall be appointed by the President by and with the advice
23 and consent of the Senate and perform his functions subject
24 to the direction and control of the President.

1 (e) There shall be in the General Services Administra-
2 tion a Deputy Administrator of General Services who shall
3 be appointed by the Administrator of General Services.
4 The Deputy Administrator shall perform such functions as
5 the Administrator shall designate and shall be Acting
6 Administrator of General Services during the absence or
7 disability of the Administrator and, unless the President shall
8 designate another officer of the Government, in the event of
9 a vacancy in the office of Administrator.

10 (d) Pending the first appointment of the Adminis-
11 trator under the provisions of this section the President may
12 designate the Federal Works Administrator in office immedi-
13 ately prior to the taking effect of the provisions of this Act
14 to perform temporarily the functions of the Administrator
15 of General Services; and such designee, while serving in
16 this capacity under this subsection shall receive the com-
17 pensation of the Administrator of General Services.

18 TRANSFER OF BUREAU OF FEDERAL SUPPLY

19 SEC. 102. (a) The Bureau of Federal Supply in the
20 Department of the Treasury and its functions, records, prop-
21 erty, personnel, obligations, and commitments, are hereby
22 transferred from the Department of the Treasury to the
23 General Services Administration, together with such addi-
24 tional records, property, and personnel of the Department of
25 the Treasury as the Director or the Bureau of the Budget shall

determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V of this Act. There shall be at the head of the Bureau of Federal Supply a Commissioner of Federal Supply, who shall be appointed by the Administrator. The functions of ~~(1) the Director of the Bureau of Federal Supply, (2) the personnel of such Bureau, and (3) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator.~~

~~(b)~~ The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 4 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 ~~(d)~~ of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments,

1 and unexpended balances (available or to be made available)
2 of appropriations, allocations, and other funds of the Treas-
3 ury Department as the Director of the Bureau of the Budget
4 shall determine to relate primarily to the functions trans-
5 ferred by the provisions of this subsection.

6 (c) Any other provision of this section notwithstanding
7 there may be retained in the Department of the Treasury
8 any function referred to in subsection (a) of this section
9 which the Director of the Bureau of the Budget shall, within
10 ten days after the effective date of this Act, determine to be
11 essential to the orderly administration of the affairs of the
12 agencies of such Department, other than the Bureau of Fed-
13 eral Supply, together with such records, property, personnel,
14 obligations, commitments, and unexpended balances of ap-
15 propriations, allocations, and other funds, available or to be
16 made available, of said Department, as said Director shall
17 determine.

18 TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

19 SEC. 103. (a) There are hereby transferred to the
20 General Services Administration (1) the Public Buildings
21 Administration, which shall hereafter be known as the
22 Bureau of Public Buildings, and its functions, records, prop-
23 erty, personnel, obligations, and commitments; (2) the Pub-
24 lic Roads Administration, which shall hereafter be known
25 as the Bureau of Public Roads, and its functions, records,

1 property, personnel, obligations, and commitments; and
 2 ~~(3)~~ all other functions, records, property, personnel, obliga-
 3 tions, and commitments of the Federal Works Agency;
 4 ~~(4)~~ all functions of the Federal Works Administrator and
 5 all functions of the Commissioner of Public Buildings and
 6 the Commissioner of Public Roads are hereby transferred
 7 to the Administrator of General Services.

8 ~~(b)~~ There are hereby abolished the Federal Works
 9 Agency, the office of Federal Works Administrator, and the
 10 office of Assistant Federal Works Administrator.

11 ~~(c)~~ Without regard to the provisions of section 103 ~~(b)~~,
 12 the President may continue, for such duration as he shall
 13 determine, as a constituent agency of the General Services
 14 Administration, the heretofore existing Bureau of Community
 15 Facilities of the Federal Works Agency.

16 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL
 17 ARCHIVES

18 SEC. 104. ~~(a)~~ The National Archives Establishment
 19 and its functions, records, property, personnel, obligations,
 20 and commitments are hereby transferred to the General Serv-
 21 ices Administration. There are transferred to the Adminis-
 22 trator ~~(1)~~ the functions of the Archivist of the United States,
 23 except his functions under the Act of July 7, 1943 (57 Stat.
 24 380, as amended), which excepted functions shall be per-

1 formed by the Archivist subject to the direction and control
2 of the Administrator, and except that the Archivist shall
3 continue to be a member or chairman, as the case may be,
4 of the bodies referred to in subsection (b) of this section,
5 and (2) the functions of the Director of the Division of the
6 Federal Register of the National Archives Establishment.
7 The Archivist of the United States shall hereafter be ap-
8 pointed by the Administrator.

9 (b) There are also transferred to the General Services
10 Administration the following bodies, together with their
11 respective functions and such funds as are derived from
12 Federal sources: (1) The National Archives Council and
13 the National Historical Publications Commission, established
14 by the Act of June 19, 1934 (48 Stat. 1122); (2) the
15 National Archives Trust Fund Board, established by the
16 Act of July 9, 1941 (55 Stat. 581); (3) the Board of
17 Trustees of the Franklin D. Roosevelt Library, established
18 by the Joint Resolution of July 18, 1939 (53 Stat. 1062);
19 and (4) the Administrative Committee established by sec-
20 tion 6 of the Act of July 26, 1935 (49 Stat. 501), which
21 shall hereafter be know as the Administrative Committee
22 of the Federal Register. The authority of the Adminis-
23 trator under section 106 hereof shall not extend to the
24 bodies or functions affected by this subsection.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE
WAR ASSETS ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion and from time to time, to regroup, transfer, and distribute any functions within the General Services Administration, in order to effectively accomplish such functions. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.

1 ~~TRANSFER OF FUNDS~~

2 SEC. 107. All unexpended balances of appropriations;
3 allocations, or other funds available or to be made available;
4 for the use of the Bureau of Federal Supply, the War Assets
5 Administration, the Federal Works Agency, and the Na-
6 tional Archives Establishment, and so much of the other
7 unexpended balances of appropriations, allocations, or other
8 funds of the Department of the Treasury, available or to be
9 made available, as the Director of the Bureau of the Budget
10 shall determine to relate primarily to functions transferred
11 to or vested in the Administrator by the provisions of this
12 Act, shall be transferred to the General Services Adminis-
13 tration for use in connection with the functions to which such
14 balances relate, respectively.

15 STATUS OF TRANSFERRED EMPLOYEES

16 SEC. 108. Subject to other provisions of this title relat-
17 ing to personnel, employees transferred by the provisions of
18 this title shall be deemed to be employees of the General
19 Services Administration and their reappointment shall not
20 be required by reason of the enactment of this Act.

21 SALARIES OF OFFICERS

22 SEC. 109. Pending the effective date of other pro-
23 visions of law fixing the rate of compensation of any of the
24 following' officers, namely, the Administrator of General
25 Services, the Deputy Administrator of General Services,

1 the Commissioner of Federal Supply, the Commissioner of
2 Public Buildings, the Archivist of the United States, and
3 the Commissioner of Public Roads, and with regard
4 to existing provisions of law governing such compensation,
5 the President shall fix for each of them a rate of compensation
6 which he shall deem to be commensurate with the responsi-
7 bilities and duties of the respective offices involved.

8 TITLE II—PROPERTY MANAGEMENT

9 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

10 SEC. 201. (a) The Administrator shall, in respect of
11 executive agencies, and to the extent that he determines
12 that so doing is advantageous to the Government in terms
13 of economy, efficiency, or service, and with due regard to
14 the program activities of the agencies concerned—

15 (1) prescribe policies and methods of procurement
16 and supply of personal property and nonpersonal serv-
17 ices, including related functions such as contracting,
18 inspection, storage, issue, property identification and
19 classification, transportation and traffic management,
20 management of public utility services, repairing and
21 converting; and

22 (2) operate, and, after consultation with the execu-
23 tive agencies affected, consolidate, take over, or arrange
24 for the operation by any executive agency or ware-

1 houses, supply centers, repair shops, fuel yards, and
2 other similar facilities; and

3 ~~(3)~~ procure and supply personal property and
4 nonpersonal services for the use of executive agencies
5 in the proper discharge of their responsibilities; and
6 perform functions related to procurement and supply
7 such as those mentioned above in subparagraph ~~(1)~~; and

8 ~~(4)~~ with respect to transportation and other
9 public utility services for the use of executive agencies;
10 represent such agencies in negotiations with carriers
11 and other public utilities and in proceedings involving
12 carriers or other public utilities before Federal and State
13 regulatory bodies;

14 *Provided*, That the Secretary of Defense may from time
15 to time, and unless the President shall otherwise direct,
16 exempt the National Military Establishment from action
17 taken or which may be taken by the Administrator under
18 clauses ~~(1)~~, ~~(2)~~, ~~(3)~~, and ~~(4)~~ above whenever he deter-
19 mines such exemption to be in the best interests of national
20 security.

21 ~~(b)~~ The Administrator shall as far as practicable pro-
22 vide any of the services specified in subsection ~~(a)~~ of this
23 section to any other Federal agency, mixed ownership cor-
24 poration (as defined in the Government Corporation Control
25 Act), or the District of Columbia, upon its request.

1 ~~(c)~~ In acquiring personal property, any executive
2 agency, under regulations to be prescribed by the Admin-
3 istrator, may exchange or sell similar items, and may apply
4 the exchange allowance or proceeds of sale in such cases in
5 whole or in part payment for the property acquired: *Pro-*
6 *vided,* That any transaction carried out under the authority
7 of this subsection shall be evidenced in writing.

8 ~~(d)~~ Section 3709 of the Revised Statutes, as amended
9 ~~(41 U. S. C. 5)~~, is hereby further amended by striking out
10 the figures "\$100" wherever they appear and inserting in
11 lieu thereof the figures "\$500".

12 ~~(e)~~ Section 2 of the Act of February 27, 1929
13 ~~(ch. 354, 45 Stat. 1342; 41 U. S. C. (7b))~~, is
14 hereby amended to read as follows: "Each executive
15 department and independent establishment shall furnish
16 from time to time, when called on to do so, estimates
17 of its requirements for inclusion in purchases which
18 it is proposed to have made by the Administrator of General
19 Services, and there shall be reserved from proper appropria-
20 tions sufficient amounts in each case to reimburse the general
21 supply fund hereinafter created. The Administrator of
22 General Services shall charge the estimated cost of supplies,
23 and bill the same to each requisitioning department and inde-
24 pendent establishment; and each such requisitioning depart-
25 ment and establishment shall reimburse said general supply

1 fund out of its appropriation upon proper vouchers. Other
2 expenses such as, breakage, shrinkage, inspection, and han-
3 dling by the General Services Administration shall be charged
4 to funds appropriated to cover such expense."

5 PROPERTY UTILIZATION

6 SEC. 202. (a) In order to minimize expenditures for
7 property, the Administrator shall prescribe policies and
8 methods to promote the maximum utilization of excess prop-
9 erty by executive agencies, and he shall provide for the
10 transfer of excess property among Federal agencies.

11 (b) Each executive agency shall (1) maintain ade-
12 quate inventory controls and accountability systems for the
13 property under its control, (2) continuously survey prop-
14 erty under its control to determine which is excess property,
15 and promptly report such property to the Administrator,
16 (3) perform the care and handling of such excess property,
17 and (4) transfer or dispose of such property as promptly
18 as possible in accordance with authority delegated and
19 regulations prescribed by the Administrator.

20 (c) Each executive agency shall, as far as practicable,
21 (1) make reassignments of property among activities within
22 the agency when such property is determined to be no longer
23 required for the purposes of the appropriation from which
24 it was purchased, (2) transfer excess property under its

1 control to other Federal agencies; and ~~(3)~~ obtain excess
2 property from other Federal agencies.

3 ~~(d)~~ Under existing provisions of law and procedures
4 defined by the Secretary of Defense, and without regard to
5 the requirements of this section except subsection ~~(f)~~ ex-
6 cess property of one of the departments of the National Mili-
7 tary Establishment may be transferred to another depart-
8 ment thereof.

9 ~~(e)~~ Transfers of excess property between Federal agen-
10 cies ~~(except transfers for redistribution to other Federal~~
11 ~~agencies or for disposal as surplus property)~~ shall be at the
12 fair value thereof, as determined by, or pursuant to regula-
13 tions of, the Administrator, unless such transfer is other-
14 wise authorized by any law approved subsequent to June
15 21, 1944, to be without reimbursement or transfer of funds.

16 ~~(f)~~ The Director of the Bureau of the Budget shall
17 prescribe regulations providing for the reporting to said
18 Director by executive agencies of such reassignments or
19 transfers of property between activities financed by different
20 appropriations as he shall deem appropriate, and the re-
21 assignments and transfers so reported shall be reported to
22 the Congress in the annual budget or otherwise as said
23 Director may determine.

1 (g) Whenever the Administrator determines that the
2 temporary assignment or reassignment of any space in excess
3 real property to any Federal agency for office, storage, or
4 related facilities would be more advantageous than the
5 permanent transfer of such property, he may make such
6 assignment or reassignment for such period of time as he
7 shall determine and obtain, in the absence of appropriation
8 available to him therefor, appropriate reimbursement from
9 the using agency for the expense of maintaining such space.

10 (h) The Administrator may authorize the abandonment,
11 destruction, or donation to public bodies of property which
12 has no commercial value or of which the estimated cost
13 of continued care and handling would exceed the estimated
14 proceeds from its sale.

15 DISPOSAL OF SURPLUS PROPERTY

16 SEC. 203. (a) Except as otherwise provided in this
17 section, the Administrator shall have supervision and direc-
18 tion over the disposition of surplus property. Such property
19 shall be disposed of to such extent, at such time, in such
20 areas, by such agencies, at such terms and conditions, and in
21 such manner, as may be prescribed in or pursuant to this Act.

22 (b) The care and handling of surplus property, pending
23 its disposition, and the disposal of surplus property, may
24 be performed by the General Services Administration or,
25 when so determined by the Administrator, by the executive

1 agency in possession thereof or by any other executive
2 agency consenting thereto.

3 (c) Any executive agency designated or authorized
4 by the Administrator to dispose of surplus property may do
5 so by sale, exchange, lease, permit, or transfer, for cash,
6 credit, or other property, with or without warranty,
7 and upon such other terms and conditions as the Ad-
8 ministrator deems proper, and it may execute such docu-
9 ments for the transfer of title or other interest in property
10 and take such other action as it deems necessary or proper
11 to dispose of such property under the provisions of this title.

12 (d) A deed, bill of sale, lease, or other instrument
13 executed by or on behalf of any executive agency purporting
14 to transfer title or any other interest in surplus property
15 under this title shall be conclusive evidence of compliance
16 with the provisions of this title insofar as concerns title or
17 other interest of any bona fide grantee or transferee for value
18 and without notice of lack of such compliance.

19 (e) Unless the Administrator shall determine that dis-
20 posal by advertising will in a given case better protect the
21 public interest, surplus property disposals may be made with-
22 out regard to any provision of existing law for advertising
23 until 12 o'clock noon, eastern standard time, December 31,
24 1949.

25 (f) Subject to regulations of the Administrator, any

1 executive agency may authorize any contractor with such
2 agency or subcontractor thereunder to retain or dispose of
3 any contractor inventory.

4 ~~(g)~~ The Administrator, in formulating policies with
5 respect to the disposal of surplus agricultural commodities,
6 surplus foods processed from agricultural commodities, and
7 surplus cotton or woolen goods, shall consult with the Sec-
8 retary of Agriculture. Such policies shall be so formulated
9 as to prevent surplus agricultural commodities, or surplus
10 food processed from agricultural commodities, from being
11 dumped on the market in a disorderly manner and dis-
12 rupting the market prices for agricultural commodities.

13 ~~(h)~~ Whenever the Secretary of Agriculture determines
14 such action to be required to assist him in carrying out his
15 responsibilities with respect to price support or stabilization,
16 the Administrator shall transfer without charge to the De-
17 partment of Agriculture any surplus agricultural commod-
18 ities, foods, or cotton or woolen goods to be disposed of.
19 Receipts resulting from disposal by the Department of
20 Agriculture under this subsection shall be deposited pursuant
21 to any authority available to the Secretary of Agriculture,
22 except that net proceeds of any sale of surplus property
23 so transferred shall be credited pursuant to section 204 ~~(b)~~,
24 when applicable. Surplus farm commodities so transferred
25 shall not be sold, other than for export, in quantities in

1 excess of, or at prices less than, those applicable with respect
2 to sales of such commodities by the Commodity Credit
3 Corporation.

4 *(i)* The United States Maritime Commission shall dis-
5 pose of surplus vessels of one thousand five hundred gross
6 tons or more which the Commission determines to be mer-
7 chant vessels or capable of conversion to merchant use, and
8 such vessels shall be disposed of only in accordance with the
9 provisions of the Merchant Marine Act, 1936, as amended,
10 and other laws authorizing the sale of such vessels.

11 *(j)* ~~(1)~~ Under such regulations as he may prescribe,
12 the Administrator is authorized in his discretion to donate
13 for educational purposes in the States, Territories, and
14 possessions without cost (except for costs of care and
15 handling) such equipment, materials, books, or other sup-
16 plies under the control of any executive agency as shall have
17 been determined to be surplus property and which shall have
18 been determined under paragraph 2 or paragraph 3 of this
19 subsection to be usable and necessary for educational
20 purposes.

21 ~~(2)~~ Determination whether such surplus property (ex-
22 cept surplus property donated in conformity with paragraph
23 3 of this subsection) is usable and necessary for educational
24 purposes shall be made by the Federal Security Adminis-
25 trator, who shall allocate such property on the basis of needs

1 and utilization for transfer by the Administrator of General
2 Services to tax-supported school systems, schools, colleges,
3 and universities, and to other nonprofit schools, colleges, and
4 universities which have been held exempt from taxation under
5 section 101 (6) of the Internal Revenue Code, or to State
6 departments of education for distribution to such tax-sup-
7 ported and nonprofit school systems, schools, colleges,
8 and universities; except that in any State where another
9 agency is designated by State law for such purpose such
10 transfer shall be made to said agency for such distribution
11 within the State.

12 (3) In the case of surplus property under the control of
13 the National Military Establishment, the Secretary of De-
14 fense shall determine whether such property is usable and
15 necessary for educational activities that are of special in-
16 terest to the armed services, such as maritime academies
17 or military, naval, Air Force, or Coast Guard preparatory
18 schools. If such Secretary shall determine that such prop-
19 erty is usable and necessary for such purposes, he shall
20 allocate it for transfer by the Administrator to such educa-
21 tional activities. If he shall determine that such property
22 is not usable and necessary for such purposes, it may be
23 disposed of in accordance with paragraph 2 of this subsection.

24 (k) (1) Under such regulations as he may prescribe,
25 the Administrator is authorized, in his discretion, to assign

1 to the Federal Security Administrator for disposal such
2 surplus real property, including buildings, fixtures, and
3 equipment situated thereon, as is recommended by the
4 Federal Security Administrator as being needed for school,
5 classroom, or other educational use, or for use in the pro-
6 tection of public health, including research.

7 (A) Subject to the disapproval of the Administrator
8 within thirty days after notice to him by the Federal
9 Security Administrator of a proposed transfer of property
10 for school, classroom, or other educational use, the
11 Federal Security Administrator, through such officers or
12 employees of the Federal Security Agency as he may
13 designate, may sell or lease such real property, including
14 buildings, fixtures, and equipment situated thereon, for
15 educational purposes to the States and their political sub-
16 divisions and instrumentalities, and tax-supported educa-
17 tional institutions, and to other nonprofit educational
18 institutions which have been held exempt from taxation
19 under section 404 (6) of the Internal Revenue Code.

20 (B) Subject to the disapproval of the Administrator
21 within thirty days after notice to him by the Federal
22 Security Administrator of a proposed transfer of property
23 for public health use, the Federal Security Administrator,
24 through such officers or employees of the Federal Se-
25 curity Agency as he may designate, may sell or lease

1 such real property for public-health purposes, including
2 research, to the States and their political subdivisions and
3 instrumentalities, and to tax-supported medical institu-
4 tions, and to hospitals or other similar institutions not
5 operated for profit which have been held exempt from
6 taxation under section 101 ~~(6)~~ of the Internal Revenue
7 Code.

8 ~~(C)~~ In fixing the sale or lease value of property
9 to be disposed of under subparagraph ~~(A)~~ and sub-
10 paragraph ~~(B)~~ of this paragraph, the Federal Security
11 Administrator shall take into consideration any benefit
12 which has accrued or may accrue to the United States
13 from the use of such property by any such State, political
14 subdivision, instrumentality, or institution.

15 ~~(D)~~ "States" as used in this subsection includes
16 the District of Columbia and the Territories and posses-
17 sions of the United States.

18 ~~(2)~~ Subject to the disapproval of the Administrator
19 within thirty days after notice to him of any action to be
20 taken under this subsection—

21 ~~(A)~~ the Federal Security Administrator, through
22 such officers or employees of the Federal Security
23 Agency as he may designate, in the case of property
24 transferred pursuant to the Surplus Property Act of

1 1944, as amended, and pursuant to this Act, to States,
2 political subdivisions, and instrumentalities thereof, and
3 tax-supported and other nonprofit educational institu-
4 tions for school, classroom, or other educational use;

5 ~~(B)~~ the Federal Security Administrator, through
6 such officer or employees of the Federal Security Agency
7 as he may designate, in the case of property transferred
8 pursuant to the Surplus Property Act of 1944, as
9 amended, and pursuant to this Act, to States, political
10 subdivisions and instrumentalities thereof, tax-supported
11 medical institutions, and to hospitals and other similar
12 institutions not operated for profit, for use in the pro-
13 tection of public health (including research);

14 ~~(C)~~ the Secretary of the Interior, in the case of
15 property transferred pursuant to the Surplus Property
16 Act of 1944, as amended, and pursuant to this Act, to
17 States, political subdivisions, and instrumentalities
18 thereof, and municipalities for use as a public park,
19 public recreational area, or historic monument for the
20 benefit of the public; or

21 ~~(D)~~ the Secretary of Defense, in the case of prop-
22 erty transferred pursuant to the Surplus Property Act
23 of 1944, as amended, to States, political subdivisions,
24 and tax-supported instrumentalities thereof for use in

1 the training and maintenance of civilian components of
2 the armed forces.

3 is authorized and directed—

4 (i) to determine and enforce compliance with the
5 terms, conditions, reservations, and restrictions contained
6 in any instrument by which such transfer was made;

7 (ii) to reform, correct, or amend any such instru-
8 ment by the execution of a corrective, reformatory, or
9 amendatory instrument where necessary to correct such
10 instrument or to conform such transfer to the require-
11 ments of applicable law; and

12 (iii) to (I) grant releases from any of the terms,
13 conditions, reservations, and restrictions contained in,
14 and (II) convey, quitclaim, or release to the transferee
15 or other eligible user any right or interest reserved to
16 the United States by any instrument by which such
17 transfer was made, if he determines that the property
18 so transferred no longer serves the purpose for which it
19 was transferred, and that such release, conveyance, or
20 quitclaim deed will not prevent accomplishment of the
21 purpose for which such property was so transferred:
22 *Provided*, That any such release, conveyance, or quit-
23 claim deed may be granted on, or made subject to, such
24 terms and conditions as he shall deem necessary to
25 protect or advance the interests of the United States.

1 (1) The Administrator is authorized to take possession
 2 of abandoned and other unclaimed property on premises
 3 owned or leased by the Government, to determine when
 4 title thereto vested in the United States, and to utilize,
 5 transfer or otherwise dispose of such property. Former
 6 owners of such property upon proper claim filed within three
 7 years from the date of vesting of title in the United States
 8 shall be paid the proceeds realized from the disposition of
 9 such property or, if the property is used or transferred, the
 10 fair value therefor as of the time title was vested in the
 11 United States as determined by the Administrator, less in
 12 either case the costs incident to the care and handling of
 13 such property as determined by the Administrator.

14 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

15 SEC. 204. (a) All proceeds under this title from any
 16 transfer of excess property to a Federal agency for its use,
 17 or from any sale, lease, or other disposition of surplus prop-
 18 erty, shall be covered into the Treasury as miscellaneous
 19 receipts, except as provided in subsections (b), (c), and
 20 (d) of this section.

21 (b) Where the property transferred or disposed of was
 22 acquired by the use of funds either not appropriated from
 23 the general fund of the Treasury or appropriated therefrom
 24 but by law reimbursable from assessment, tax, or other rev-
 25 enue or receipts, then the net proceeds of the disposition or

1 transfer shall be credited to the reimbursable fund or ap-
2 propriation or paid to the Federal agency which determined
3 such property to be excess: *Provided*, That the proceeds
4 shall be credited to miscellaneous receipts in any case when
5 the agency which determined the property to be excess shall
6 deem it uneconomical or impractical to ascertain the amount
7 of net proceeds. As used in this subsection, the term "net
8 proceeds of the disposition or transfer" means the proceeds
9 of the disposition or transfer minus all expenses incurred
10 for care and handling and disposition or transfer.

11 ~~(c)~~ Any Federal agency disposing of surplus property
12 under this title ~~(1)~~ may deposit, in a special account with
13 the Treasurer of the United States, such amount of the
14 proceeds of such dispositions as it deems necessary to permit
15 appropriate refunds to purchasers when any disposition is
16 rescinded or does not become final, or payments for breach
17 of any warranty, and ~~(2)~~ may withdraw therefrom amounts
18 so to be refunded or paid, without regard to the origin of
19 the funds withdrawn.

20 ~~(d)~~ Where any contract entered into by an executive
21 agency or any subcontract under such contract authorizes
22 the proceeds of any sale of property in the custody of the
23 contractor or subcontractor to be credited to the price or
24 cost of the work covered by such contract or subcontract,

1 the proceeds of any such sale shall be credited in accordance
2 with the contract or subcontract.

3 (c) Where any mortgage, lien, or other interest as
4 security is retained in connection with any disposition of
5 surplus property under this title, the Administrator shall
6 preserve and manage such security and may enforce and
7 settle any right of the Government with respect thereto in
8 such manner and upon such terms as he deems in the best
9 interest of the Government.

10 POLICIES, REGULATIONS, AND DELEGATIONS

11 SEC. 205. (a) The President may prescribe such poli-
12 cies and directives, not inconsistent with the provisions of
13 this Act, as he shall deem necessary to effectuate the pro-
14 visions of this Act, which policies and directives shall govern
15 the Administrator and executive agencies in carrying out
16 their respective functions hereunder.

17 (b) The Comptroller General after considering the
18 needs and requirements of the executive agencies shall pre-
19 scribe principles and standards of accounting for property,
20 cooperate with the Administrator and with the executive
21 agencies in the development of property accounting systems
22 and approve such systems when deemed to be adequate and
23 in conformity with prescribed principles and standards.
24 From time to time the General Accounting Office shall

1 examine such property accounting systems as are estab-
2 lished by the executive agencies to determine the extent
3 of compliance with prescribed principles and standards and
4 approved systems; and the Comptroller General shall report
5 to the Congress any failure to comply with such principles
6 and standards or to adequately account for property.

7 (c) The Administrator shall prescribe such regulations
8 as he deems necessary to effectuate his functions under this
9 Act, and the head of each executive agency shall cause
10 to be issued such orders and directives as such head deems
11 necessary to carry out such regulations.

12 (d) The Administrator is authorized to delegate and to
13 authorize successive redelegation of any authority trans-
14 ferred to or vested in him by this Act (except for the au-
15 thority to issue regulations on matters of policy having
16 application to executive agencies; the authority contained
17 in section 406; and as otherwise provided in this Act) to
18 any official in the General Services Administration or to
19 the head of any other Federal agency.

20 (e) With respect to any function transferred to or
21 vested in the General Services Administration or the Admin-
22 istrator by this Act, the Administrator may (1) direct the
23 undertaking of its performance by the General Services Ad-
24 ministration or by any constituent organization therein which
25 he may designate or establish; or (2) designate and authorize

1 any executive agency to perform such function for itself; or
2 ~~(3)~~ designate and authorize any other executive agency to
3 perform such function; or ~~(4)~~ provide for such performance
4 by any combination of the foregoing methods. Any designa-
5 tion or assignment of functions or delegation of authority to
6 another executive agency under this section shall be made
7 only with the consent of the executive agency concerned,
8 or upon direction of the President.

9 ~~(f)~~ When any executive agency (including the
10 General Services Administration and constituent organiza-
11 tions thereof) is authorized and directed by the Administrator
12 to carry out any function under this Act, the Administrator
13 may, with the approval of the Director of the Bureau of the
14 Budget, provide for the transfer of appropriate personnel,
15 records, property, and allocated funds of the General Services
16 Administration, or of such other executive agency as has
17 theretofore carried out such function, to the executive agency
18 so authorized and directed.

19 ~~(g)~~ The Administrator may establish advisory
20 committees, to advise with him with respect to any
21 function transferred to or vested in the Administrator by
22 this Act. The members thereof shall serve without compen-
23 sation but shall be entitled to transportation and not to
24 exceed \$25 per diem in lieu of subsistence, as authorized

1 by section 5 of the Act of August 2, 1946 (5 U. S. C.
2 73b-2), for persons so serving.

3 (h) The Administrator shall advise and consult with
4 interested Federal agencies with a view to obtaining their
5 advice and assistance in carrying out the purposes of this
6 title.

7 SURVEYS, STANDARDIZATION AND CATALOGING

8 SEC. 206. (a) As he may deem necessary for the effec-
9 tuation of his functions under this title, and after adequate
10 advance notice to the executive agencies affected, and with
11 due regard to the requirements of the National Military
12 Establishment as determined by the Secretary of Defense, the
13 Administrator is authorized (1) to make surveys of Govern-
14 ment property and property management practices and obtain
15 reports thereon from executive agencies; (2) to cooperate
16 with executive agencies in the establishment of reasonable
17 inventory levels for property stocked by them and from time
18 to time report any excessive stocking to the Congress and
19 to the Director of the Bureau of the Budget; (3) to estab-
20 lish and maintain such uniform Federal supply catalog system
21 as may be appropriate to identify and classify personal prop-
22 erty under the control of Federal agencies: *Provided*, That
23 the Administrator and the Secretary of Defense shall co-
24 ordinate the cataloging activities of the General Services
25 Agency and the National Military Establishment so as

1 to avoid unnecessary duplication; and (4) to prescribe
 2 standardized forms and procedures, except such as the Comp-
 3 troller General is authorized by law to prescribe, and
 4 standard purchase specifications.

5 (b) Each Federal agency shall utilize such uniform
 6 Federal supply catalog system and standard purchase speci-
 7 fications, except as the Administrator, taking into considera-
 8 tion efficiency, economy, and other interests of the
 9 Government, shall otherwise provide.

10 (c) The General Accounting Office shall audit all types
 11 of property accounts and transactions as such times and in
 12 such manner as determined by the Comptroller General.
 13 Such audit shall be conducted as far as practicable at the
 14 place or places where the property or records of the execu-
 15 tive agencies are kept and shall include but not necessarily
 16 be limited to an evaluation of the effectiveness of internal
 17 controls and audits, and a general audit of the discharge of
 18 accountability for Government-owned or controlled property
 19 based upon generally accepted principles of auditing.

20 APPLICABILITY OF ANTITRUST LAWS

21 SEC 207. Whenever any executive agency shall begin
 22 negotiations for the disposition to private interests
 23 of a plant or plants, or other property, which cost
 24 the Government \$1,000,000 or more, or of patents,

1 processes, techniques, or inventions, irrespective of cost.
2 the executive agency shall promptly notify the Attorney
3 General of the proposed disposal and the probable terms
4 or conditions thereof. Within a reasonable time, in no
5 event to exceed ninety days after receiving such notifica-
6 tion, the Attorney General shall advise the Administrator
7 and the interested executive agency whether, insofar as he
8 can determine, the proposed disposition would tend to create
9 or maintain a situation inconsistent with the antitrust laws.
10 Upon the request of the Attorney General, the Adminis-
11 trator or interested executive agency shall furnish or cause
12 to be furnished such information as it may possess which
13 the Attorney General determines to be appropriate or neces-
14 sary to enable him to give the advice called for by this
15 section or to determine whether any other disposition or
16 proposed disposition of surplus property violates the antitrust
17 laws. Nothing in this Act shall impair, amend, or modify
18 the antitrust laws or limit and prevent their application to
19 persons who buy or otherwise acquire property under the
20 provisions of this Act. As used in this section, the term
21 "antitrust laws" includes the Act of July 2, 1890 (ch. 647,
22 26 Stat. 209) as amended; the Act of October 15, 1914
23 (ch. 323, 38 Stat. 730), as amended; the Federal Trade
24 Commission Act (38 Stat. 717), as amended; and sections

1 73 and 74 of the Act of August 27, 1894 (28 Stat. 570);
2 as amended.

3 EMPLOYMENT OF PERSONNEL

4 SEC. 208. (a) The Administrator is authorized, subject
5 to the civil-service and classifications laws, to appoint and fix
6 the compensation of such personnel as may be necessary
7 to carry out the provisions of titles I, II, III, and V of this
8 Act.

9 (b) To such extent as he finds necessary to carry out
10 the provisions of titles I, II, III, and V of this Act, the Ad-
11 ministrator is hereby authorized to procure the temporary
12 (not in excess of one year) or intermittent services of ex-
13 perts or consultants or organizations thereof, including steno-
14 graphic reporting services, by contract or appointment, and
15 in such cases such services shall be without regard to the
16 civil-service and classification laws, and, except in the case
17 of stenographic reporting services by organizations, without
18 regard to section 3709, Revised Statutes, as amended (44
19 U. S. C. 5).

20 (c) Notwithstanding the provisions of section 1222 of
21 the Revised Statutes (10 U. S. C. 576) or of any other
22 provision of law, the Administrator in carrying out the
23 functions imposed upon him by this Act is authorized to
24 utilize in his agency the services of officials, officers, and

1 other personnel in other executive agencies, including per-
 2 sonnel of the armed services, with the consent of the head of
 3 the agency concerned.

4 CIVIL REMEDIES AND PENALTIES

5 SEC. 209. (a) Where any property is transferred or
 6 disposed of in accordance with this Act and any regulations
 7 prescribed hereunder, no officer or employee of the Govern-
 8 ment shall (1) be liable with respect to such transfer or
 9 disposition except for his own fraud, or (2) be accountable
 10 for the collection of any purchase price for such property
 11 which is determined to be uncollectible by the Federal agency
 12 responsible therefor.

13 (b) Every person who shall use or engage in, or cause
 14 to be used or engaged in, or enter into an agreement, com-
 15 bination, or conspiracy to use or engage in or to cause to
 16 be used or engaged in, any fraudulent trick, scheme, or
 17 device, for the purpose of securing or obtaining, or aiding to
 18 secure or obtain, for any person any payment, property, or
 19 other benefits from the United States or any Federal agency
 20 in connection with the procurement, transfer, or disposition
 21 of property hereunder—

22 (1) shall pay to the United States the sum of
 23 \$2,000 for each such act, and double the amount of any
 24 damage which the United States may have sustained by
 25 reason thereof, together with the cost of suit; or

1 ~~(2)~~ shall, if the United States shall so elect, pay
2 to the United States, as liquidated damages, a sum equal
3 to twice the consideration agreed to be given by the
4 United States or any Federal agency to such person or
5 by such person to the United States or any Federal
6 agency, as the case may be; or

7 ~~(3)~~ shall, if the United States shall so elect, re-
8 store to the United States the money or property thus
9 secured and obtained and the United States shall retain
10 as liquidated damages any property, money, or other
11 consideration given to the United States or any Federal
12 agency for such money or property, as the case may be.

13 ~~(c)~~ The several district courts of the United States;
14 the District Court of the United States for the District of
15 Columbia, and the several district courts of the Territories
16 and possessions of the United States, within whose jurisdic-
17 tional limits the person, or persons, doing or committing such
18 act, or any one of them, resides or shall be found, shall where-
19 soever such act may have been done or committed, have
20 full power and jurisdiction to hear, try, and determine such
21 suit, and such person or persons as are not inhabitants of
22 or found within the district in which suit is brought may
23 be brought in by order of the court to be served personally
24 or by publication or in such other reasonable manner as the
25 court may direct.

1 (d) The civil remedies provided in this section shall
2 be in addition to all other criminal penalties and civil
3 remedies provided by law.

4 REPORTS TO CONGRESS

5 SEC. 240. The Administrator shall submit a report to
6 the Congress, in January of each year and at such other
7 times as he may deem it desirable, regarding the adminis-
8 tration of his functions under this Act, together with such
9 recommendations for amendments to this Act as he may
10 deem appropriate as the result of the administration of such
11 functions, at which time he shall also cite the laws becom-
12 ing obsolete by reason of passage or operation of the pro-
13 visions of this Act.

14 ~~TITLE III— PROCUREMENT PROCEDURE~~

15 ~~DECLARATION OF PURPOSE~~

16 SEC. 304. The purpose of this title is to facilitate the
17 procurement of supplies and services.

18 APPLICATION AND PROCUREMENT METHODS

19 SEC. 302. (a) The provisions of this title shall be ap-
20 plicable to purchases and contracts for supplies or services
21 made—

(1) by the General Services Administration for the use of such agency or otherwise; and

24 ~~(2)~~ by any other executive agency (except any
25 agency named in section 2 (a) of the Armed Services

Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection.

The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title ~~(A)~~ for the use of two or more executive agencies or ~~(B)~~ in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

~~(b)~~ It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph ~~(7)~~ or ~~(8)~~ of section 302 ~~(c)~~ of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

1 ~~(e)~~ All purchases and contracts for supplies and serv-
2 ices shall be made by advertising, as provided in section 303,
3 except that such purchases and contracts may be negotiated
4 by the agency head without advertising if—

5 ~~(1)~~ determined to be necessary in the public
6 interest during the period of a national emergency
7 declared by the President or by the Congress;

8 ~~(2)~~ the public exigency will not admit of the delay
9 incident to advertising;

10 ~~(3)~~ the aggregate amount involved does not exceed
11 \$1,000: *Provided*, That no agency other than the
12 General Services Administration shall make any pur-
13 chase of, or contract for, supplies or services in excess
14 of \$500 under this paragraph except in the exercise of
15 authority conferred by the Administrator to procure and
16 furnish supplies and services for the use of two or more
17 executive agencies;

18 ~~(4)~~ for personal or professional services;

19 ~~(5)~~ for any service to be rendered by any univer-
20 sity, college, or other educational institution;

21 ~~(6)~~ the supplies or services are to be procured and
22 used outside the limits of the United States and its
23 possessions;

24 ~~(7)~~ for medicines or medical supplies;

25 ~~(8)~~ for supplies purchased for authorized resale;

1 ~~(9)~~ for supplies or services for which it is imprac-
2 ticable to secure competition;

3 ~~(10)~~ the agency head determines that the purchase
4 or contract is for experimental, developmental or re-
5 search work, or for the manufacture or furnishing of
6 supplies for experimentation, development, research or
7 test: *Provided*, That beginning six months after the
8 effective date of this title and at the end of each six-
9 month period thereafter, there shall be furnished to the
10 Congress a report setting forth the name of each con-
11 tractor with whom a contract has been entered into
12 pursuant to this paragraph ~~(10)~~ since the date of the
13 last such report, the amount of the contract, and, with
14 due consideration given to the national security, a de-
15 scription of the work required to be performed
16 thereunder;

17 ~~(11)~~ for supplies or services as to which the agency
18 head determines that the character, ingredients, or com-
19 ponents thereof are such that the purchase or contract
20 should not be publicly disclosed;

21 ~~(12)~~ for equipment which the agency head deter-
22 mines to be technical equipment, and as to which he
23 determines that the procurement thereof without ad-
24 vertising is necessary in special situations or in particular
25 localities in order to assure standardization of equipment

1 and interchangeability of parts and that such standard-
2 ization and interchangeability is necessary in the public
3 interest;

4 ~~(13)~~ for supplies or services as to which the agency
5 head determines that bid prices after advertising there-
6 for are not reasonable (either as to all or as to some part
7 of the requirements) or have not been independently
8 arrived at in open competition: *Provided*, That no
9 negotiated purchase or contract may be entered into
10 under this paragraph after the rejection of all or some
11 of the bids received unless ~~(A)~~ notification of the inten-
12 tion to negotiate and reasonable opportunity to negotiate
13 shall have been given by the agency head to each re-
14 sponsible bidder and ~~(B)~~ the negotiated price is the
15 lowest negotiated price offered by any responsible
16 supplier; or

17 ~~(14)~~ otherwise authorized by law.

18 ~~(d)~~ If in the opinion of the agency head bids received
19 after advertising evidence any violation of the antitrust laws
20 he shall refer such bids to the Attorney General for appro-
21 priate action.

22 ~~(e)~~ This section shall not be construed to ~~(A)~~ authorize
23 the erection, repair, or furnishing of any public building or
24 public improvement, but such authorization shall be required
25 in the same manner as heretofore, or ~~(B)~~ permit any con-

tract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase of contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b)

1 of this section; contracts negotiated pursuant to section 302
2 ~~(c)~~ may be of any type which in the opinion of the agency
3 head will promote the best interests of the Government.
4 Every contract negotiated pursuant to section 302 ~~(c)~~ shall
5 contain a suitable warranty, as determined by the agency
6 head, by the contractor that no person or selling agency
7 has been employed or retained to solicit or secure such
8 contract upon an agreement or understanding for a commis-
9 sion, percentage, brokerage, or contingent fee, excepting
10 bona fide employees or bona fide established commercial or
11 selling agencies maintained by the contractor for the pur-
12 pose of securing business, for the breach or violation of
13 which warranty the Government shall have the right to
14 annul such contract without liability or in its discretion to
15 deduct from the contract price or consideration the full
16 amount of such commission, percentage, brokerage, or
17 contingent fee.

18 ~~(b)~~ The cost-plus-a-percentage-of-cost system of con-
19 tracting shall not be used, and in the case of a cost-plus-a-
20 fixed-fee contract the fee shall not exceed 10 per centum
21 of the estimated cost of the contract, exclusive of the fee,
22 as determined by the agency head at the time of entering
23 into such contract (except that a fee not in excess of 15
24 per centum of such estimated cost is authorized in any
25 such contract for experimental, developmental, or research

1 work and that a fee inclusive of the contractor's costs and
2 not in excess of 6 per centum of the estimated cost, exclu-
3 sive of fees, as determined by the agency head at the time
4 of entering into the contract, of the project to which such
5 fee is applicable is authorized in contracts for architectural
6 or engineering services relating to any public works or
7 utility project). Neither a cost nor a cost-plus-a-fixed-fee
8 contract nor an incentive-type contract shall be used unless
9 the agency head determines that such method of contract-
10 ing is likely to be less costly than other methods or that
11 it is impractical to secure supplies or services of the kind
12 or quality required without the use of a cost or cost-plus-
13 a-fixed-fee contract or an incentive-type contract. All cost
14 and cost-plus-a-fixed-fee contracts shall provide for advance
15 notification by the contractor to the procuring agency of
16 any subcontract thereunder on a cost-plus-a-fixed-fee basis
17 and of any fixed-price subcontract or purchase order which
18 exceeds in dollar amount either \$25,000 or 5 per centum
19 of the total estimated cost of the prime contract; and a
20 procuring agency, through any authorized representative
21 thereof, shall have the right to inspect the plans and to audit
22 the books and records of any prime contractor or subcon-
23 tractor engaged in the performance of a cost or cost-plus-a-
24 fixed-fee contract.

1 ADVANCE PAYMENTS

2 SEC. 305 (a) The agency head may make advance
3 payments under negotiated contracts heretofore or hereafter
4 executed in any amount not exceeding the contract price
5 upon such terms as the parties shall agree: *Provided*, That
6 advance payments shall be made only upon adequate security
7 and if the agency head determines that provision for such
8 advance payments is in the public interest or in the interest
9 of the national defense and is necessary and appropriate in
10 order to procure required supplies or services under the
11 contract.

12 (b) The terms governing advance payments may in-
13 clude as security provision for, and upon inclusion of such
14 provision there shall thereby be created, a lien in favor of
15 the Government, upon the supplies contracted for, upon
16 the credit balance in any special account in which such
17 payments may be deposited and upon such of the material
18 and other property acquired for performance of the contract
19 as the parties shall agree.

20 WAIVER OF LIQUIDATED DAMAGES

21 SEC. 306. Whenever any contract made on behalf of
22 the Government by the agency head or by officers authorized
23 by him so to do includes a provision for liquidated damages
24 for delay, the Comptroller General on the recommendation
25 of the agency head is authorized and empowered to remit

1 the whole or any part of such damages as in his discretion
2 may be just and equitable.

3 ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

4 SEC. 307. (a) The determinations and decisions pro-
5 vided in this title to be made by the Administrator or other
6 agency head may be made with respect to individual pur-
7 chases and contracts or with respect to classes of purchases
8 on contracts, and shall be final. Except as provided in sub-
9 section (b) of this section, the agency head is authorized
10 to delegate his powers provided by this title, including the
11 making of such determinations and decisions, in his discre-
12 tion and subject to his direction, to any other officer or
13 officers or officials of the agency.

14 (b) The power of the agency head to make the deter-
15 minations or decisions specified in paragraphs (11) and
16 (12) of section 302 (c) and in section 305 (a) shall not
17 be delegable, and the power to make the determinations
18 or decisions specified in paragraph (10) of section 302 (c)
19 shall be delegable only to a chief officer responsible for
20 procurement and only with respect to contracts which will
21 not require the expenditure of more than \$25,000. The
22 power of the Administrator to make the delegations and
23 determinations specified in section 302 (a) shall be delegable
24 only to the Deputy Administrator of the General Services

1 Administration or to the chief official of any principal con-
 2 stituent agency of the General Services Administration.

3 ~~(c)~~ Each determination or decision required by para-
 4 graphs ~~(10)~~, ~~(11)~~, ~~(12)~~, or ~~(13)~~ of section 302 ~~(c)~~, by
 5 section 304 or by section 305 ~~(a)~~ shall be based upon
 6 written findings made by the official making such deter-
 7 mination, which findings shall be final and shall be available
 8 within the agency for a period of at least six years following
 9 the date of the determination. A copy of the findings shall
 10 be submitted to the General Accounting Office with the
 11 contract.

12 ~~(d)~~ In any case where any purchase or contract is
 13 negotiated pursuant to the provisions of section 302 ~~(c)~~,
 14 except in a case covered by paragraphs ~~(2)~~, ~~(3)~~, ~~(4)~~,
 15 ~~(5)~~, or ~~(6)~~ thereof, the data with respect to the negotiation
 16 shall be preserved in the files of the agency for a period of
 17 six years following final payment on such contract.

18 STATUTES CONTINUED IN EFFECT

19 SEC. 308. No purchase or contract shall be exempt
 20 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
 21 44 U. S. C. 35 to 45), or from the Act of March 3, 1934
 22 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),
 23 solely by reason of having been entered into pursuant to sec-
 24 tion 302 ~~(c)~~ hereof without advertising, and the provisions
 25 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,

1 as amended; 40 U. S. C. 324 and 325a), if otherwise
 2 applicable, shall apply to such purchases and contracts.

3 DEFINITIONS

4 SEC. 309. As used in this title—

5 (a) The term “agency head” shall mean the head or
 6 any assistant head of any executive agency, and may at the
 7 option of the Administrator include the chief official of
 8 any principal constituent agency of the General Services
 9 Administration.

10 (b) The term “supplies” shall mean all property except
 11 land, and shall include, by way of description and without
 12 limitation, public works, buildings, facilities, ships, floating
 13 equipment, and vessels of every character, type and descrip-
 14 tion, aircraft, parts, accessories, equipment, machine tools
 15 and alteration or installation thereof.

16 STATUTES NOT APPLICABLE

17 SEC. 310. The following provisions of law shall not
 18 apply to the procurement of supplies or services (1) by
 19 the General Services Administration, or (2) within the scope
 20 of authority delegated by the Administrator to any other
 21 executive agency:

22 Revised Statutes, section 3709, as amended (41 U. S. C.
 23 5);

24 Revised Statutes, section 3735 (41 U. S. C. 13);

1 Sections 1 and 2 of the Act of October 10, 1940 (54
2 Stat. 1109, as amended; 44 U. S. C. 6 and 6a).

3 TITLE IV—FOREIGN EXCESS PROPERTY

4 DISPOSAL OF FOREIGN EXCESS PROPERTY

5 SEC. 401. Each executive agency having foreign excess
6 property shall be responsible for the disposal thereof: *Pro-*
7 *vided*, That (a) the head of each such executive agency
8 shall, with respect to the disposition of such property, con-
9 form to the foreign policy of the United States; (b) the
10 Secretary of State shall have the authority to use foreign
11 currencies and credits acquired by the United States under
12 section 402 (b) of this Act in order to effectuate the pur-
13 poses of section 32 (b) (2) of the Surplus Property Act
14 of 1944, as amended, and the Foreign Service Buildings
15 Act of May 7, 1926, as amended (including Public Law
16 547, Seventy-ninth Congress (60 Stat. 663)), and for
17 the purpose of paying any other governmental expenses pay-
18 able in local currencies, and the authority to amend, modify,
19 and renew agreements in effect on the effective date of
20 this Act; (c) any foreign currencies or credits acquired
21 by the Department of State pursuant to such agreements
22 shall be administered in accordance with procedures that
23 may from time to time be established by the Secretary of
24 the Treasury and, if and when reduced to United States
25 currency, shall be covered into the Treasury as miscellaneous

1 receipts; and ~~(d)~~ the Department of State shall, except to
2 such extent as the President shall otherwise determine, con-
3 tinue to perform other functions with respect to agreements
4 for the disposal of foreign excess property in effect on the
5 effective date of this Act.

6 METHODS AND TERMS OF DISPOSAL

7 SEC. 402. Foreign excess property may be disposed of
8 ~~(a)~~ by sale, exchange, lease, or transfer, for cash, credit,
9 or other property, with or without warranty and upon such
10 others terms and conditions as the head of the executive
11 agency concerned deems proper; but in no event shall any
12 agricultural commodity, food, or cotton or woolen goods be
13 sold without a condition forbidding their importation into
14 the United States, unless the Secretary of Agriculture deter-
15 mines that such property is in short supply in this country,
16 or ~~(b)~~ for foreign currencies or credits, or substantial bene-
17 fits or the discharge of claims resulting from the compromise
18 or settlement of such claims by any executive agency in
19 accordance with the law, whenever the head of the execu-
20 tive agency concerned determines that it is in the interest
21 of the United States to do so. Such property may be dis-
22 posed of without advertising when the head of the executive
23 agency concerned finds so doing to be most practicable and
24 to be advantageous to the Government. The head of each
25 executive agency responsible for the disposal of foreign

1 excess property may execute such documents for the transfer
2 of title or other interest in property and take such other
3 action as he deems necessary or proper to dispose of such
4 property; and may authorize the abandonment, destruction,
5 or donation of foreign excess property under his control
6 which has no commercial value or the estimated cost of
7 care and handling of which would exceed the estimated
8 proceeds from its sale.

9 PROCEEDS; FOREIGN CURRENCY

10 SEC. 403. Proceeds from the sale, lease, or other dis-
11 position of foreign excess property, ~~(a)~~ shall, if in the
12 form of foreign currencies or credits, be administered in ac-
13 cordance with procedures that may from time to time be
14 established by the Secretary of the Treasury, and ~~(b)~~ shall,
15 if in United States currency, or when any proceeds in foreign
16 currencies or credits shall be reduced to United States cur-
17 rency, be covered into the Treasury as miscellaneous re-
18 ceipts: *Provided*, That the provisions of section 204 ~~(b)~~
19 ~~(which by their terms apply to property disposed of under~~
20 ~~title II)~~ shall be applicable to proceeds of foreign excess
21 property disposed of for United States currency under this
22 title IV: *And provided further*, That any executive
23 agency disposing of foreign excess property under this title
24 ~~(1)~~ may deposit, in a special account with the Treasurer of
25 the United States, such amount of the proceeds of such dis-

1 positions as it deems necessary to permit appropriate refunds
 2 to purchasers when any disposition is rescinded or does not
 3 become final, or payments for breach of any warranty, and
 4 ~~(2)~~ may withdraw therefrom amounts so to be refunded or
 5 paid, without regard to the origin of the funds withdrawn.

6 MISCELLANEOUS PROVISIONS

7 SEC. 404. ~~(a)~~ The President may prescribe such poli-
 8 cies not inconsistent with the provisions of this title, as he
 9 shall deem necessary to effectuate the provisions of this title,
 10 which provisions shall guide each executive agency in carry-
 11 ing out its functions hereunder.

12 ~~(b)~~ Any authority conferred upon any executive agency
 13 or the head thereof by the provisions of this title may be
 14 delegated, and successive redelegation thereof may be author-
 15 ized, by such head to any official in such agency or to the
 16 head of any other executive agency.

17 ~~(c)~~ The head of each executive agency responsible for
 18 the disposal of foreign excess property hereunder may, as
 19 may be necessary to carry out his functions under this
 20 title, ~~(1)~~ subject to the civil-service and classification laws,
 21 appoint and fix the compensation of personnel, and ~~(2)~~
 22 without regard to the civil-service and classification laws,
 23 appoint and fix the compensation of personnel outside the
 24 continental limits of the United States.

25 ~~(d)~~ Each executive agency responsible for the dis-

1 posal of foreign excess property under this title shall submit
2 a report to Congress in January of each year or at such
3 other times as he may deem desirable relative to its activities
4 under this title, together with any appropriate recom-
5 mendations.

6 (c) There shall be transferred from the Department of
7 State to each other executive agency affected by this title
8 such records, property, personnel, obligations, commitments,
9 and unexpended balances of appropriations, allocations, and
10 other funds, available or to be made available, as the Direc-
11 tor of the Bureau of the Budget shall determine to relate to
12 functions of such agency under this title which have here-
13 tofore been administered by the Department of State.

14 TITLE V—GENERAL PROVISIONS

15 APPLICABILITY OF EXISTING PROCEDURES

16 SEC. 501. All policies, procedures, and directives
17 prescribed—

18 (a) by either the Director, Bureau of Federal Sup-
19 ply, or the Secretary of the Treasury and relating to
20 any function transferred to or vested in the Adminis-
21 trator, by the provisions of this Act;

22 (b) by any officer of the Government under the
23 authority of the Surplus Property Act of 1944, as
24 amended, or under other authority with respect to sur-
25 plus property or foreign excess property;

~~(c)~~ by or under the authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

~~(d)~~ by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act.

in effect upon the effective date of this Act and not inconsistent therewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. ~~(a)~~ There are hereby repealed—

~~(1)~~ the Surplus Property Act of 1944, as amended ~~(except sections 13, (g), 13 (h), 28, and 32 (b) (2))~~; and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon ~~(eastern standard time)~~, December 31, 1949.

~~(2)~~ that portion of the Act entitled “An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June

1 30, 1949, and for other purposes", approved June 30,
2 1948 (Public Law 862, Eightieth Congress), as
3 amended, appearing under the caption "Surplus prop-
4 erty disposal";

5 (3) the Act entitled "An Act to authorize the
6 Secretary of War to dispose of material no longer needed
7 by the Army", approved February 28, 1936 (49 Stat.
8 1147; 10 U. S. C. 1258);

9 (4) the Act entitled "An Act to authorize the
10 Secretary of the Navy to dispose of material no longer
11 needed by the Navy", approved May 23, 1930, as
12 amended (46 Stat. 378; 34 U. S. C. 546e);

13 (5) section 5 of the Act of July 11, 1919 (41
14 Stat. 67; 40 U. S. C. 311);

15 (6) the first and second provisos contained in the
16 fifth paragraph under the heading "Division of Sup-
17 ply" in section 1 of the Act of December 20, 1928
18 (45 Stat. 1030; 40 U. S. C. 311a);

19 (7) the Act entitled "An Act to authorize the
20 Secretary of the Army, the Secretary of the Navy, and
21 the Secretary of the Air Force to donate excess and
22 surplus property for educational purposes", approved
23 July 2, 1948 (Public Law 889, Eightieth Congress);

24 (8) section 203 of the Act of June 26, 1943 (57
25 Stat. 195, as amended; 5 U. S. C. 118d-1);

1 (9) the Act of April 15, 1937 (50 Stat. 64; 5
2 U. S. C. 118d);

3 (10) the second proviso contained in the para-
4 graph of the Act of August 10, 1912 (37 Stat. 296;
5 5 U. S. C. 545), headed "Contingent expenses, De-
6 partment of Agriculture";

7 (11) the second proviso contained in the twentieth
8 paragraph of section 1 of the Act of March 2, 1917
9 (39 Stat. 973; 5 U. S. C. 494);

10 (12) the twenty-sixth paragraph under the head-
11 ing "National Parks" of the Act of January 24, 1923
12 (42 Stat. 1215; 16 U. S. C. 9);

13 (13) the fifth paragraph under the heading "Ex-
14 periments and demonstrations in livestock production
15 in the cane-sugar and cotton districts of the United
16 States" of the Act of June 30, 1914 (38 Stat. 441; 5
17 U. S. C. 546);

18 (14) the proviso contained in the second paragraph
19 under the heading "Library, Department of Agricul-
20 ture" of the Act of March 4, 1915 (38 Stat. 1107;
21 5 U. S. C. 548);

22 (15) the second proviso contained in the second
23 paragraph under the heading "Clothing and camp and
24 garrison equipage" of section 1 of the Act of August
25 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

1 ~~(16)~~ the Act of May 11, 1939 ~~(53 Stat. 739;~~
2 ~~40 U. S. C. 1271a)~~;

3 ~~(17)~~ the fifth paragraph under the heading "Office
4 of the Chief Signal Officer" of the Act of May 12, 1917
5 ~~(40 Stat. 43, as amended; 40 U. S. C. 1272)~~;

6 ~~(18)~~ the third proviso contained in the second
7 paragraph under the heading "Office of the Chief Signal
8 Officer" of the Act of March 4, 1915 ~~(38 Stat. 1064;~~
9 ~~40 U. S. C. 1273)~~;

10 ~~(19)~~ the fourteenth paragraph under the heading
11 "Smithsonian Institution" of section 4 of the Act of
12 March 3, 1915 ~~(38 Stat. 839; 20 U. S. C. 66)~~;

13 ~~(20)~~ the second paragraph under the heading
14 "Government hospital for the insane" of section 4 of
15 the Act of August 1, 1914 ~~(38 Stat. 649; 24 U. S. C.~~
16 ~~173)~~;

17 ~~(21)~~ the second paragraph under the heading
18 "Saint Elizabeths Hospital" of section 4 of the Act of
19 June 12, 1917 ~~(40 Stat. 153; 24 U. S. C. 174)~~;

20 ~~(22)~~ the proviso contained in the second para-
21 graph under the heading "Bureau of Supplies and Ac-
22 counts" of the Act of August 22, 1912 ~~(37 Stat. 346;~~
23 ~~34 U. S. C. 531a)~~;

24 ~~(23)~~ the second proviso of the first paragraph

under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 4 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 4 of the Act of August 4, 1914 (38 Stat. 627; 49 U. S. C. 58); and

(28) the Act of June 6, 1944 (55 Stat. 247; 44 U. S. C. 31b).

(b) The provisions of the first, third, and fifth paragraphs of section 4 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not

1 be subject to the provisions of any law inconsistent herewith;
2 except that sections 205 (b) and 206 (c) of this Act shall
3 not be applicable to any Government corporation or agency
4 which is subject to the Government Corporation Control Act
5 (59 Stat. 597; 31 U. S. C. 841).

6 (d) Nothing in this Act shall impair or affect any
7 authority of—

8 (1) the President under the Philippine Property
9 Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

10 (2) any executive agency with respect to any phase
11 (including, but not limited to, procurement, storage,
12 transportation, processing, and disposal) of any pro-
13 gram conducted for purposes of resale, price support,
14 grants to farmers, stabilization, transfer to foreign gov-
15 ernments, or foreign aid, relief, or rehabilitation: *Pro-*
16 *vided*, That the agency carrying out such program shall,
17 to the maximum extent practicable, consistent with the
18 fulfillment of the purposes of the program and the effec-
19 tive and efficient conduct of its business, coordinate its
20 operations with the requirements of this Act and the
21 policies and regulations prescribed pursuant thereto;

22 (3) any executive agency named in the Armed
23 Services Procurement Act of 1947, and the head thereof,
24 with respect to the administration of said Act;

25 (4) the National Military Establishment with re-

1 spect to property required for or located in occupied
2 territories;

3 ~~(5)~~ the Secretary of Defense with respect to the
4 administration of the National Industrial Reserve Act
5 of 1948;

6 ~~(6)~~ the Secretary of Defense, the Munitions Board,
7 and the Secretaries of the Army, Navy, and Air Force
8 with respect to the administration of the Strategic and
9 Critical Materials Stock Piling Act ~~(60 Stat. 596)~~;
10 and provided that any imported materials which the
11 authorized procuring agency shall certify to the Com-
12 missioner of Customs to be strategic and critical ma-
13 terials procured under said Act may be entered, or
14 withdrawn from warehouse, free of duty;

15 ~~(7)~~ the Secretary of State under the Foreign Serv-
16 ice Building Act of May 7, 1926, as amended;

17 ~~(8)~~ the Secretary of the Army, the Secretary of
18 the Navy, and the Secretary of the Air Force with
19 respect to the administration of section 1 ~~(b)~~ of the
20 Act entitled "An Act to expedite the strengthening of
21 the national defense", approved July 2, 1940 ~~(54~~
22 ~~Stat. 712)~~;

23 ~~(9)~~ the Secretary of Agriculture or the Depart-
24 ment of Agriculture under ~~(A)~~ the National School
25 Lunch Act ~~(60 Stat. 230)~~; ~~(B)~~ the Farmers Home

1 Administration Act of 1946 (60 Stat. 1062); (C) the
 2 Act of August 31, 1947, Public Law 298, Eightieth
 3 Congress, with respect to the disposal of labor supply
 4 centers, and labor homes, labor camps, or facilities; (D)
 5 section 32 of the Act of August 24, 1935 (49 Stat.
 6 774), as amended, with respect to the exportation and
 7 domestic consumption of agricultural products; or (E)
 8 section 204 of the Agricultural Adjustment Act of
 9 1938 (52 Stat. 36) or section 203 (j) of the Agri-
 10 cultural Marketing Act of 1946 (60 Stat. 1082);

11 (10) the Secretary of Agriculture, Farm Credit
 12 Administration, or any farm credit board under section
 13 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),
 14 with respect to the acquisition or disposal of property:

15 (11) the Housing and Home Finance Agency, or
 16 any officer or constituent agency therein, with respect
 17 to the disposal of residential property, or of other prop-
 18 erty (real or personal) held as part of or acquired for
 19 or in connection with residential property, or in connec-
 20 tion with the insurance of mortgages, loans, or savings
 21 and loan accounts under the National Housing Act;

22 (12) the Tennessee Valley Authority with respect
 23 to nonpersonal services, with respect to the matters re-
 24 ferred to in section 204 (a) (4), and with respect
 25 to any property acquired or to be acquired for or in con-

nection with any program of processing, manufacture,
production, or force account construction: *Provided*,
That the Tennessee Valley Authority shall to the maxi-
mum extent that it may deem practicable, consistent with
the fulfillment of the purpose of its program and the
effective and efficient conduct of its business, coordinate
its operations with the requirements of this Act and the
policies and regulations prescribed pursuant thereto;

~~(13)~~ the Atomic Energy Commission;

~~(14)~~ the Administrator of Civil Aeronautics or the
Chief of the Weather Bureau with respect to the dis-
posal of airport property and airway property for use
as such property. For the purpose of this paragraph
the terms "airport property" and "airway property"
shall have the respective meanings ascribed to them in
the International Aviation Facilities Act (62 Stat.
450);

~~(15)~~ the Postmaster General or the Postal Estab-
lishment with respect to the means and methods of
distribution and transportation of the mails, and con-
tracts, negotiations, and proceedings before Federal and
State regulatory and rate-making bodies, relating to the
transportation of the mails;

~~(16)~~ the United States Maritime Commission with
respect to the construction, reconstruction, and recondi-

tioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary to appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

~~(17)~~ Central Intelligence Agency;

~~(18)~~ except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he

1 deems such action necessary to effectuate the provisions
2 of title II; nor

3 ~~(19)~~ for such period of time as the President
4 may specify; any other authority of any executive agency
5 which the President determines within one year after
6 the effective date of this Act should, in the public
7 interest, stand unimpaired by this Act.

8 AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER

9 AUTHORITY

10 SEC. 503. (a) There are hereby authorized to be ap-
11 propriated such sums as may be necessary to carry out the
12 provisions of this Act.

13 ~~(b)~~ When authorized by the Director of the Bureau
14 of the Budget, any Federal agency may use, for the dis-
15 position of property under this Act, and for its care and
16 handling pending such disposition, any funds heretofore or
17 hereafter appropriated, allocated, or available to it for pur-
18 poses similar to those provided for in sections 201, 202,
19 203, and 205 of this Act.

20 SEPARABILITY

21 SEC. 504. If any provision of this Act, or the applica-
22 tion thereof to any person or circumstances, is held invalid,
23 the remainder of this Act, and the application of such pro-

1 vision to other persons or circumstances, shall not be affected
2 thereby.

3 EFFECTIVE DATE

4 SEC. 505. This Act shall become effective on July 1,
5 1949, except that (1) the provisions of section 502 (a)
6 (2) shall become effective on June 30, 1949; (2) the
7 provisions of section 201 (c) shall become effective on
8 July 1, 1950.

9 SHORT TITLE

10 That this Act may be cited as the "Federal Property
11 and Administrative Services Act of 1949".

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

TITLE I—ORGANIZATION

Sec. 101. General Services Agency.

Sec. 102. Abolition of Bureau of Federal Supply and transfer of contract settlement functions.

Sec. 103. Transfer of affairs of the Federal Works Agency.

Sec. 104. Records management; transfer of the National Archives.

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

Sec. 106. Redistribution of functions.

Sec. 107. Transfer of funds.

Sec. 108. Status of transferred employees.

Sec. 109. General supply fund.

TITLE II—PROPERTY MANAGEMENT

Sec. 201. Procurement, warehousing, and related activities.

Sec. 202. Property utilization.

Sec. 203. Disposal of surplus property.

Sec. 204. Proceeds from transfer or disposition of property.

Sec. 205. Policies, regulations, and delegations.

Sec. 206. Surveys and standardization.

Sec. 207. Applicability of antitrust laws.

Sec. 208. Employment of personnel.

Sec. 209. Civil remedies and penalties.

Sec. 210. Reports to Congress.

TABLE OF CONTENTS—Continued

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.*
Sec. 302. Application and procurement methods.
Sec. 303. Advertising requirements.
Sec. 304. Requirements of negotiated contracts.
Sec. 305. Advance payments.
Sec. 306. Waiver of liquidated damages.
Sec. 307. Administrative determinations and delegations.
Sec. 308. Statutes continued in effect.
Sec. 309. Definitions.
Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.*
Sec. 402. Methods and terms of disposal.
Sec. 403. Proceeds; foreign currencies.
Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.*
Sec. 502. Repeal and saving provisions.
Sec. 503. Authorization for appropriations.
Sec. 504. Separability.
Sec. 505. Effective date.

1 *DECLARATION OF POLICY*

2 *SEC. 2. It is the intent of the Congress in enacting this*
3 *legislation to provide for the Government an economical and*
4 *efficient system for (a) the procurement and supply of per-*
5 *sonal property and nonpersonal services, including related*
6 *functions such as contracting, inspection, storage, issue, speci-*
7 *fications, property identification and classification, transporta-*
8 *tion and traffic management, management of public utility*
9 *services, repairing and converting, establishment of inventory*
10 *levels, establishment of forms and procedures, and representa-*
11 *tion before Federal and State regulatory bodies; (b) the*

1 utilization of available property; (c) the disposal of surplus
2 property; and (d) records management.

3 *DEFINITIONS*

4 *SEC. 3. As used in this Act—*

(a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

9 (b) The term “Federal agency” means any executive
10 agency or any establishment in the legislative or judicial
11 branch of the Government (except the Senate and the House
12 of Representatives).

13 (c) The term "Administrator" means the Administrator
14 of General Services provided for in title I hereof.

(d) The term "property" means any interest in prop-
erty of any kind except (1) the public domain and lands
reserved or dedicated for national forest or national park
purposes; and (2) naval vessels of the following categories:
Battleships, cruisers, aircraft carriers, destroyers, and sub-
marines.

(c) The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

25 (f) The term “foreign excess property” means any

1 excess property located outside the continental United
2 States, Hawaii, Alaska, Puerto Rico, and the Virgin
3 Islands.

4 (g) The term "surplus property" means any excess
5 property not required for the needs and the discharge of
6 the responsibilities of the Federal Government, as deter-
7 mined by the Administrator.

8 (h) The term "care and handling" includes complet-
9 ing, repairing, converting, rehabilitating, operating, pre-
10 serving, protecting, insuring, packing, storing, handling, con-
11 serving, and transporting excess and surplus property, and, in
12 the case of property which is dangerous to public health or
13 safety, destroying or rendering innocuous such property.

14 (i) The term "person" includes any corporation, part-
15 nership, firm, association, trust, estate, or other entity.

16 (j) The term "nonpersonal services" means such con-
17 tractual services, other than personal and professional
18 services, as the Administrator shall designate.

19 (k) The term "contractor inventory" means (1)
20 any property acquired by and in the possession of a con-
21 tractor or subcontractor under a contract pursuant to the
22 terms of which title is vested in the Government, and in
23 excess of the amounts needed to complete full performance
24 under the entire contract; and (2) any property which
25 the Government is obligated to take over under any type

1 of contract as a result either of any changes in the speci-
2 fications or plans thereunder or of the termination of such
3 contract (or subcontract thereunder), prior to completion
4 of the work, for the convenience or at the option of the
5 Government.

6 TITLE I—ORGANIZATION

7 GENERAL SERVICES AGENCY

8 SEC. 101. (a) There is hereby established an agency
9 in the executive branch of the Government which shall be
10 known as the General Services Agency.

11 (b) There shall be at the head of the General Services
12 Agency an Administrator of General Services who shall be
13 appointed by the President by and with the advice and
14 consent of the Senate, and perform his functions subject to
15 the direction and control of the President.

16 (c) There shall be in the General Services Agency a
17 Deputy Administrator of General Services who shall be
18 appointed by the Administrator of General Services.
19 The Deputy Administrator shall perform such functions
20 as the Administrator shall designate and shall be Acting
21 Administrator of General Services during the absence or
22 disability of the Administrator and, unless the President
23 shall designate another officer of the Government, in the
24 event of a vacancy in the office of Administrator.

25 (d) Pending the first appointment of the Administrator

1 under the provisions of this section, his functions shall be
2 performed temporarily by such officer of the Government
3 in office upon or immediately prior to the taking of effect
4 of the provisions of this Act as the President shall designate.

5 (e) The President is authorized to fix the compensa-
6 tion of the Administrator, the Deputy Administrator, and
7 of the heads and assistant heads of the principal organiza-
8 tional units of the General Services Agency at such rates
9 (not in excess of \$15,000 per annum) as he shall deem
10 to be commensurate with the responsibilities and duties
11 of their respective offices.

12 ABOLITION OF BUREAU OF FEDERAL SUPPLY AND

13 TRANSFER OF CONTRACT SETTLEMENT FUNCTIONS

14 SEC. 102. (a) The functions of the Bureau of Federal
15 Supply in the Department of the Treasury and its records,
16 property, personnel, obligations, and commitments, are
17 hereby transferred to the Administrator of General Services,
18 together with such additional records, property, and per-
19 sonnel of the Department of the Treasury as the Director of
20 the Bureau of the Budget shall determine to relate primarily
21 to functions transferred by this section or vested in the
22 Administrator by titles II, III, and V of this Act. The
23 functions of the Director of the Bureau of Federal Supply,
24 and the functions of the Secretary of the Treasury, relating
25 to the Bureau of Federal Supply and the Director thereof,

1 are hereby transferred to the Administrator. The Bureau
2 of Federal Supply and the office of the Director of the Bureau
3 of Federal Supply are hereby abolished.

4 (b) The functions of the Director of Contract Settle-
5 ment and of the Office of Contract Settlement, transferred
6 to the Secretary of the Treasury by Reorganization Plan
7 Numbered 1 of 1947, are transferred to the Administrator
8 and shall be performed by him or, subject to his direction
9 and control, by such officers and agencies of the General
10 Services Agency as he may designate. The Contract Set-
11 tlement Act Advisory Board created by section 5 of the
12 Contract Settlement Act of 1944 (58 Stat. 649) and the
13 Appeal Board established under section 13 (d) of that Act
14 are transferred from the Department of the Treasury to the
15 General Services Agency, but the functions of these Boards
16 shall be performed by them, respectively, under conditions
17 and limitations prescribed by law. There shall also be trans-
18 ferred to the General Services Agency such records, prop-
19 erty, personnel, obligations, commitments, and unexpended
20 balances (available or to be made available) of appropri-
21 ations, allocations, and other funds of the Treasury Depart-
22 ment as the Director of the Bureau of the Budget shall
23 determine to relate primarily to the functions transferred by
24 the provisions of this subsection.

25 (c) Any other provision of this section notwithstanding,

1 *there may be retained in the Department of the Treasury*
2 *any function referred to in subsection (a) of this section*
3 *which the Director of the Bureau of the Budget shall, within*
4 *ten days after the effective date of this Act, determine to be*
5 *essential to the orderly administration of the affairs of the*
6 *agencies of such Department, other than the Bureau of Fed-*
7 *eral Supply, together with such records, property, personnel,*
8 *obligations, commitments, and unexpended balances of ap-*
9 *propriations, allocations, and other funds, available or to be*
10 *made available, of said Department, as said Director shall*
11 *determine.*

12 *TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY*

13 *SEC. 103. (a) There are hereby transferred to the*
14 *General Services Agency the Public Roads Administra-*
15 *tion and its functions, records, property, personnel,*
16 *obligations, and commitments. All other functions, records,*
17 *property, personnel, obligations, and commitments of the*
18 *Federal Works Agency, of the Federal Works Administrator,*
19 *and of the Commissioner of Public Buildings are hereby*
20 *transferred to the Administrator of General Services.*

21 *(b) There are hereby abolished the Federal Works*
22 *Agency, the Public Buildings Administration, the office of*
23 *Federal Works Administrator, the office of the Commissioner*
24 *of Public Buildings, and the office of Assistant Federal*
25 *Works Administrator.*

1 (c) Without regard to the provisions of section 103 (b),
2 the President may continue, for such duration as he shall
3 determine, as a constituent agency of the General Services
4 Agency, the heretofore existing Bureau of Community
5 Facilities of the Federal Works Agency.

6 RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL

7 ARCHIVES

8 SEC. 104. (a) The National Archives Establishment
9 and its functions, records, property, personnel, obligations,
10 and commitments are hereby transferred to the General
11 Services Agency. There are transferred to the Administra-
12 tor (1) the functions of the Archivist of the United States,
13 except that the Archivist shall continue to be a member or
14 chairman, as the case may be, of the bodies referred to in
15 subsection (b) of this section, and (2) the functions of the
16 Director of the Division of the Federal Register of the
17 National Archives Establishment. The Archivist of the
18 United States shall hereafter be appointed by the
19 Administrator.

20 (b) There are also transferred to the General Services
21 Agency the following bodies, together with their respective
22 functions: (1) The National Archives Council and the Na-
23 tional Historical Publications Commission, established by the
24 Act of June 19, 1934 (48 Stat. 1122), (2) the National
25 Archives Trust Fund Board, established by the Act of July

1 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the
 2 Franklin D. Roosevelt Library, established by the Joint
 3 Resolution of July 18, 1939 (53 Stat. 1062), and (4) the
 4 Administrative Committee established by section 6 of the
 5 Act of July 26, 1935 (49 Stat. 501), which shall hereafter
 6 be known as the Administrative Committee of the Federal
 7 Register. The authority of the Administrator under section
 8 106 hereof shall not extend to the bodies or functions affected
 9 by this subsection.

10 (c) The Administrator is authorized (1) to make sur-
 11 veys of Government records and records management and
 12 disposal practices and obtain reports thereon from Federal
 13 agencies; (2) to promote, in cooperation with the executive
 14 agencies, improved records management practices and con-
 15 trols in such agencies, including the central storage or disposi-
 16 tion of records not needed by such agencies for their current
 17 use; and (3) to report to the Congress and the Director
 18 of the Bureau of the Budget from time to time the results of
 19 such activities.

20 TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR

21 ASSETS ADMINISTRATION

22 SEC. 105. The functions, records, property, personnel,
 23 obligations, and commitments of the War Assets Admin-
 24 istration are hereby transferred to the General Services
 25 Agency. The functions of the War Assets Administrator

1 are hereby transferred to the Administrator of General
2 Services. The War Assets Administration, the office of
3 the War Assets Administrator, and the office of Associate
4 War Assets Administrator are hereby abolished. Personnel
5 now holding appointments granted under the second sentence
6 of section 5 (b) of the Surplus Property Act of 1944, as
7 amended, may be continued in such positions or may be
8 appointed to similar positions for such time as the Admin-
9 istrator may determine.

10 *REDISTRIBUTION OF FUNCTIONS*

11 *SEC. 106. The Administrator is hereby authorized, in*
12 *his discretion, in order to provide for the effective accom-*
13 *plishment of the functions transferred to or vested in him*
14 *by this Act, and from time to time, to regroup, transfer,*
15 *and distribute any such functions within the General Services*
16 *Agency, and with the approval of the Director of the Bureau*
17 *of the Budget to make appropriate transfers of funds in*
18 *connection therewith.*

19 *TRANSFER OF FUNDS*

20 *SEC. 107. (a) All unexpended balances of appropria-*
21 *tions, allocations, or other funds available or to be made avail-*
22 *able, for the use of the Bureau of Federal Supply, the War*
23 *Assets Administration, the Federal Works Agency, and the*
24 *National Archives Establishment, and so much of the other*
25 *unexpended balances of appropriations, allocations, or other*

1 funds of the Department of the Treasury, available or to be
2 made available, as the Director of the Bureau of the Budget
3 shall determine to relate primarily to functions transferred
4 to or vested in the Administrator by the provisions of this
5 Act, shall be transferred to the General Services Agency
6 for use in connection with the functions to which such bal-
7 ances relate, respectively.

8 (b) When other functions are transferred to the Gen-
9 eral Services Agency from any Federal agency, there shall
10 be transferred such records, property, personnel, appropria-
11 tions, allocations, and other funds of such agency to the
12 General Services Agency as the Director of the Bureau of
13 the Budget shall determine to relate primarily to the func-
14 tions so transferred.

15 STATUS OF TRANSFERRED EMPLOYEES

16 SEC. 108. Subject to other provisions of this title relating
17 to personnel, employees transferred by the provisions of this
18 title shall be deemed to be employees of the General Services
19 Agency, and their reappointment shall not be required by
20 reason of the enactment of this Act.

21 GENERAL SUPPLY FUND •

22 SEC. 109. (a) There is hereby authorized to be set
23 aside in the Treasury a special fund which shall be known
24 as the General Supply Fund. Such fund shall be composed
25 of the assets of the general supply fund (including any

1 surplus therein) created by section 3 of the Act of Feb-
2 ruary 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and
3 transferred to the Administrator by section 102 of this Act,
4 and such sums as may be appropriated thereto, and the
5 fund shall assume all of the liabilities, obligations, and com-
6 mitments of the general supply fund created by such Act
7 of February 27, 1929. The capital of the General Supply
8 Fund shall be in an amount not greater than \$100,000,000.

9 The General Supply Fund shall be available for use by or
10 under the direction and control of the Administrator (1)
11 for procuring personal property (including the purchase
12 from or through the Public Printer of standard forms and
13 blankbook work for field warehouse issue) and nonpersonal
14 services for the use of Federal agencies in the proper dis-
15 charge of their responsibilities, and (2) for paying all ele-
16 ments of cost of the procurement, handling, and distribution
17 thereof, except that on and after July 1, 1950, those elements
18 of cost which are determined by the Administrator with the
19 approval of the Director of the Bureau of the Budget to be
20 indirect or overhead costs shall not be paid from the fund.

21 (b) Payment by requisitioning agencies shall be at
22 prices fixed by the Administrator. Until July 1, 1950, such
23 prices shall be fixed in accordance with law and regulations
24 applicable on the date of enactment of this Act to prices
25 fixed by the Director of the Bureau of Federal Supply. On

1 and after such date, such prices shall be fixed at levels so
2 as to recover so far as practicable all costs except those
3 which are determined by the Administrator with the approval
4 of the Director of the Bureau of the Budget to be indirect
5 or overhead costs. Requisitioning agencies shall pay by
6 advance of funds in all cases where it is determined by the
7 Administrator that there is insufficient capital otherwise avail-
8 able in the General Supply Fund. Advances of funds also
9 may be made by agreement between the requisitioning agen-
10 cies and the Administrator. Where an advance of funds
11 is not made, requisitioning agencies shall promptly reimburse
12 the General Services Agency on vouchers prepared by the
13 requisitioning agency on the basis of itemized invoices sub-
14 mitted by the Administrator and receiving reports evidencing
15 the delivery to the requisitioning agency of such supplies or
16 services: Provided, That in any case where payment shall
17 not have been made by the requisitioning agency within
18 forty-five days after the date of billing by the Administrator,
19 reimbursement may be obtained by the Administrator by the
20 issuance of transfer and counterwarrants supported by item-
21 ized invoices.

22 (c) The General Supply Fund shall be credited with all
23 reimbursements, advances of funds, and refunds or recoveries
24 relating to supplies or services procured through the fund,
25 including the net proceeds of disposal of surplus supplies

1 *procured through the fund and receipts from carriers and*
2 *others for loss of, or damage to, supplies procured through*
3 *the fund; and the same are hereby reappropriated for the*
4 *purposes of the fund.*

5 *(d) A special deposit account may be established as a*
6 *part of the General Supply Fund with the Treasurer of the*
7 *United States for use by the chief disbursing officer or any*
8 *regional disbursing officer, Department of the Treasury,*
9 *which may be credited with (1) funds advanced from the*
10 *General Supply Fund account on the books of the Division*
11 *of Bookkeeping and Warrants and (2) other funds properly*
12 *for credit to the General Supply Fund without being covered*
13 *into the Treasury of the United States; and such special*
14 *deposit account may be charged with payments properly*
15 *chargeable to the General Supply Fund.*

16 *(e) The Comptroller General of the United States shall*
17 *make an annual audit of the General Supply Fund as of*
18 *June 30, and there shall be covered into the United States*
19 *Treasury as miscellaneous receipts any surplus found therein,*
20 *all assets, liabilities, and prior losses considered, above the*
21 *amounts transferred or appropriated to establish and main-*
22 *tain said fund, and the Comptroller General shall report*
23 *to the Congress annually the results of the audit, together*
24 *with such recommendations as he may have regarding the*
25 *status and operations of the fund.*

1 (f) Subject to the requirements of subsections (a) to
 2 (c), inclusive, of this section, the General Supply Fund
 3 also may be used for the procurement of supplies and non-
 4 personal services authorized to be acquired by mixed-own-
 5 ership Government corporations, or by the municipal
 6 government of the District of Columbia, or by a requisitioning
 7 non-Federal agency when the function of a Federal agency
 8 authorized to procure for it is transferred to the General
 9 Services Agency: Provided, That the prices charged by the
 10 Administrator in such cases shall be fixed at levels which
 11 he estimates will be sufficient to recover, in addition to the
 12 direct costs of the procurement, handling, and distribution
 13 of such supplies and services, the indirect and overhead costs
 14 that the Administrator determines are allocable thereto.

15 TITLE II—PROPERTY MANAGEMENT

16 PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

17 SEC. 201. (a) The Administrator shall, in respect of
 18 executive agencies, and to the extent that he determines that
 19 so doing is advantageous to the Government in terms of
 20 economy, efficiency, or service, and with due regard to the
 21 program activities of the agencies concerned—

22 (1) prescribe policies and methods of procurement
 23 and supply of personal property and nonpersonal serv-
 24 ices, including related functions such as contracting,

1 inspection, storage, issue, specifications, property iden-
2 tification and classification, management of public utility
3 services, and repairing and converting; and

4 (2) operate, and, after consultation with the execu-
5 tive agencies affected, consolidate, take over, or arrange
6 for the operation by any executive agency of warehouses,
7 supply centers, repair shops, fuel yards, and other similar
8 facilities; and

9 (3) procure and supply personal property and
10 nonpersonal services for the use of executive agencies
11 in the proper discharge of their responsibilities, and
12 perform functions related to procurement and supply
13 such as those mentioned above in subparagraph (1):

14 Provided, That contracts for public utility services may
15 be made for periods not exceeding ten years; and

16 (4) with respect to public utility services for the
17 use of executive agencies, represent such agencies in
18 negotiations with public utilities and in proceedings in-
19 volving public utilities before Federal and State regu-
20 latory bodies;

21 Provided, That the Secretary of Defense may from time
22 to time, unless the President shall otherwise direct, exempt
23 the National Military Establishment from action taken or
24 which may be taken by the Administrator under clauses (1),

1 (2), (3), and (4) above whenever he determines such
2 exemption to be in the best interests of national security.

3 (b) The Administrator shall as far as practicable pro-
4 vide any of the services specified in subsection (a) of this
5 section to any other Federal agency, mixed ownership cor-
6 poration (as defined in the Government Corporation Control
7 Act), or the District of Columbia, or the Senate, or the House
8 of Representatives, upon its request.

9 (c) In acquiring personal property, any executive
10 agency, under regulations to be prescribed by the Adminis-
11 trator, may exchange or sell similar items (provided that
12 such items are exchanged as a general practice in trade chan-
13 nels), and may apply the exchange allowance or proceeds
14 of sale in such cases in whole or in part payment for the
15 property acquired: Provided, That any transaction carried
16 out under the authority of this subsection shall be evidenced
17 in writing.

18 *PROPERTY UTILIZATION*

19 *SEC. 202. (a) In order to minimize expenditures for*
20 *property, the Administrator shall prescribe policies and*
21 *methods to promote the maximum utilization of excess prop-*
22 *erty by executive agencies, and he shall provide for the*
23 *transfer of excess property among Federal agencies.*

24 (b) Each executive agency shall (1) maintain ade-

1 *quate inventory controls and accountability systems for the*
2 *property under its control, (2) continuously survey prop-*
3 *erty under its control to determine which is excess property,*
4 *and promptly report such property to the Administrator,*
5 *(3) perform the care and handling of such excess property,*
6 *and (4) transfer or dispose of such property as promptly*
7 *as possible in accordance with authority delegated and*
8 *regulations prescribed by the Administrator.*

9 *(c) Each executive agency shall, as far as practicable,*
10 *(1) make reassignments of property among activities within*
11 *the agency when such property is determined to be no longer*
12 *required for the purposes of the appropriation from which*
13 *it was purchased, (2) transfer excess property under its*
14 *control to other Federal agencies, and (3) obtain excess*
15 *property from other Federal agencies.*

16 *(d) Under existing provisions of law and procedures*
17 *defined by the Secretary of Defense, and without regard to*
18 *the requirements of this section except subsection (f), ex-*
19 *cess property of one of the departments of the National Mili-*
20 *tary Establishment may be transferred to another department*
21 *thereof.*

22 *(e) Transfers of excess property between Federal agen-*
23 *cies except transfers for redistribution to other Federal*
24 *agencies or for disposal as surplus property) shall be at the*
25 *fair value thereof, as determined by, or pursuant to regula-*

1 tions of, the Administrator, unless such transfer is other-
2 wise authorized by any law approved subsequent to June
3 21, 1944, to be without reimbursement or transfer of funds.

4 (f) The Director of the Bureau of the Budget shall
5 prescribe regulations providing for the reporting to said
6 Director by executive agencies of such reassignments or
7 transfers of property between activities financed by different
8 appropriations as he shall deem appropriate, and the re-
9 assignments and transfers so reported shall be reported to
10 the Congress in the annual budget or otherwise as said
11 Director may determine.

12 (g) Whenever the Administrator determines that the
13 temporary assignment or reassignment of any space in
14 excess real property to any Federal agency for office, stor-
15 age, or related facilities would be more advantageous than
16 the permanent transfer of such property, he may make such
17 assignment or reassignment for such period of time as he
18 shall determine and obtain, in the absence of appropriation
19 available to him therefor, appropriate reimbursement from
20 the using agency for the expense of maintaining such space.

21 (h) The Administrator may authorize the abandonment,
22 destruction, or donation to public bodies of property which
23 has no commercial value or of which the estimated cost of
24 continued care and handling would exceed the estimated
25 proceeds from its sale.

1 *DISPOSAL OF SURPLUS PROPERTY*

2 *SEC. 203. (a) Except as otherwise provided in this*
3 *section, the Administrator shall have supervision and direc-*
4 *tion over the disposition of surplus property. Such property*
5 *shall be disposed of to such extent, at such time, in such*
6 *areas, by such agencies, at such terms and conditions, and in*
7 *such manner, as may be prescribed in or pursuant to this Act.*

8 *(b) The care and handling of surplus property, pending*
9 *its disposition, and the disposal of surplus property, may be*
10 *performed by the General Services Agency or, when so*
11 *determined by the Administrator, by the executive agency*
12 *in possession thereof or by any other executive agency*
13 *consenting thereto.*

14 *(c) Any executive agency designated or authorized*
15 *by the Administrator to dispose of surplus property may do*
16 *so by sale, exchange, lease, permit, or transfer, for cash,*
17 *credit, or other property, with or without warranty, and*
18 *upon such other terms and conditions as the Administrator*
19 *deems proper, and it may execute such documents for the*
20 *transfer of title or other interest in property and take such*
21 *other action as it deems necessary or proper to dispose of*
22 *such property under the provisions of this title.*

23 *(d) A deed, bill of sale, lease, or other instrument*
24 *executed by or on behalf of any executive agency purporting*
25 *to transfer title or any other interest in property under this*

1 title shall be conclusive evidence of compliance with the
2 provisions of this title insofar as concerns title or other
3 interest of any bona fide grantee or transferee for value
4 and without notice of lack of such compliance.

5 (e) Unless the Administrator shall determine that dis-
6 posal by advertising will in a given case better protect the
7 public interest, surplus property disposals may be made with-
8 out regard to any provision of existing law for advertising
9 until 12 o'clock noon, eastern standard time, December 31,
10 1950.

11 (f) Subject to regulations of the Administrator, any
12 executive agency may authorize any contractor with such
13 agency or subcontractor thereunder to retain or dispose of
14 any contractor inventory.

15 (g) The Administrator, in formulating policies with
16 respect to the disposal of surplus agricultural commodities,
17 surplus foods processed from agricultural commodities, and
18 surplus cotton or woolen goods, shall consult with the Sec-
19 retary of Agriculture. Such policies shall be so formulated
20 as to prevent surplus agricultural commodities, or surplus
21 food processed from agricultural commodities, from being
22 dumped on the market in a disorderly manner and dis-
23 rupting the market prices for agricultural commodities.

24 (h) Whenever the Secretary of Agriculture determines
25 such action to be required to assist him in carrying out his

1 responsibilities with respect to price support or stabilization,
2 the Administrator shall transfer without charge to the De-
3 partment of Agriculture any surplus agricultural commod-
4 ities, foods, or cotton or woolen goods to be disposed of.
5 Receipts resulting from disposal by the Department of
6 Agriculture under this subsection shall be deposited pursuant
7 to any authority available to the Secretary of Agriculture,
8 except that net proceeds of any sale of surplus property
9 so transferred shall be credited pursuant to section 204 (b),
10 when applicable. Surplus farm commodities so transferred
11 shall not be sold, other than for export, in quantities in
12 excess of, or at prices less than, those applicable with respect
13 to sales of such commodities by the Commodity Credit
14 Corporation.

15 (i) The United States Maritime Commission shall dis-
16 pose of surplus vessels of one thousand five hundred gross
17 tons or more which the Commission determines to be mer-
18 chant vessels or capable of conversion to merchant use, and
19 such vessels shall be disposed of only in accordance with the
20 provisions of the Merchant Marine Act, 1936, as amended,
21 and other laws authorizing the sale of such vessels.

22 (j) (1) Under such regulations as he may prescribe,
23 the Administrator is authorized in his discretion to donate
24 for educational purposes in the States, Territories, and pos-
25 sessions without cost (except for costs of care and handling)

1 such equipment, materials, books, or other supplies under
2 the control of any executive agency as shall have been deter-
3 mined to be surplus property and which shall have been
4 determined under paragraph 2 or paragraph 3 of this
5 subsection to be usable for educational purposes.

6 (2) Determination whether such property (except sur-
7 plus property donated in conformity with paragraph 3 of this
8 subsection) is usable and necessary for educational purposes
9 shall be made by the Federal Security Administrator, who
10 shall allocate such property on the basis of needs and utiliza-
11 tion for transfer by the Administrator of General Services to
12 tax-supported school systems, schools, colleges, and univer-
13 sities, and to other nonprofit schools, colleges, and univer-
14 sities which have been held exempt from taxation under
15 section 101 (6) of the Internal Revenue Code, or to State
16 departments of education for distribution to such tax-
17 supported and nonprofit school systems, schools, colleges,
18 and universities; except that in any State where another
19 agency is designated by State law for such purpose such
20 transfer shall be made to said agency for such distribution
21 within the State.

22 (3) In the case of surplus property under the control of
23 the National Military Establishment, the Secretary of Defense
24 shall determine whether such property is usable and neces-
25 sary for educational activities that are of special interest to

1 the armed services, such as maritime academies or military,
2 naval, Air Force, or Coast Guard preparatory schools. If
3 such Secretary shall determine that such property is usable
4 and necessary for such purposes, he shall allocate it for
5 transfer by the Administrator to such educational activities.
6 If he shall determine that such property is not usable and
7 necessary for such purposes, it may be disposed of in accord-
8 ance with paragraph 2 of this subsection.

9 (k) (1) Under such regulations as he may prescribe,
10 the Administrator is authorized, in his discretion, to assign
11 to the Federal Security Administrator for disposal such
12 surplus real property, including buildings, fixtures, and
13 equipment situated thereon, as is recommended by the
14 Federal Security Administrator as being needed for school,
15 classroom, or other educational use, or for use in the pro-
16 tection of public health, including research.

17 (A) Subject to the disapproval of the Administrator
18 within thirty days after notice to him by the Federal
19 Security Administrator of a proposed transfer of prop-
20 erty for school, classroom, or other educational use, the
21 Federal Security Administrator, through such officers or
22 employees of the Federal Security Agency as he may
23 designate, may sell or lease such real property, including
24 buildings, fixtures, and equipment situated thereon, for
25 educational purposes to the States and their political sub-

1 divisions and instrumentalities, and tax-supported educa-
2 tional institutions, and to other nonprofit educational
3 institutions which have been held exempt from taxation
4 under section 101 (6) of the Internal Revenue Code.

5 (B) Subject to the disapproval of the Administrator
6 within thirty days after notice to him by the Federal
7 Security Administrator of a proposed transfer of property
8 for public-health use, the Federal Security Administrator,
9 through such officers or employees of the Federal Se-
10 curity Agency as he may designate, may sell or lease
11 such real property for public-health purposes, including
12 research, to the States and their political subdivisions
13 and instrumentalities, and to tax-supported medical insti-
14 tutions, and to hospitals or other similar institutions
15 not operated for profit which have been held exempt from
16 taxation under section 101 (6) of the Internal Revenue
17 Code.

18 (C) In fixing the sale or lease value of property
19 to be disposed of under subparagraph (A) and sub-
20 paragraph (B) of this paragraph, the Federal Security
21 Administrator shall take into consideration any benefit
22 which has accrued or may accrue to the United States
23 from the use of such property by any such State, political
24 subdivision, instrumentality, or institution.

25 (D) "States" as used in this subsection includes

1 *the District of Columbia and the Territories and posses-*
2 *sions of the United States.*

3 *(2) Subject to the disapproval of the Administrator*
4 *within thirty days after notice to him of any action to be*
5 *taken under this subsection—*

6 *(A) the Federal Security Administrator, through*
7 *such officers or employees of the Federal Security*
8 *Agency as he may designate, in the case of property*
9 *transferred pursuant to the Surplus Property Act of*
10 *1944, as amended, and pursuant to this Act, to States,*
11 *political subdivisions, and instrumentalities thereof, and*
12 *tax-supported and other nonprofit educational institu-*
13 *tions for school, classroom, or other educational use;*

14 *(B) the Federal Security Administrator, through*
15 *such officer or employees of the Federal Security Agency*
16 *as he may designate, in the case of property transferred*
17 *pursuant to the Surplus Property Act of 1944, as*
18 *amended, and pursuant to this Act, to States, political*
19 *subdivisions and instrumentalities thereof, tax-supported*
20 *medical institutions, and to hospitals and other similar*
21 *institutions not operated for profit, for use in the pro-*
22 *tection of public health (including research);*

23 *(C) the Secretary of the Interior, in the case of*
24 *property transferred pursuant to the Surplus Property*
25 *Act of 1944, as amended, and pursuant to this Act, to*

1 *States, political subdivisions, and instrumentalities*
2 *thereof, and municipalities for use as a public park,*
3 *public recreational area, or historic monument for the*
4 *benefit of the public; or*

5 *(D) the Secretary of Defense, in the case of prop-*
6 *erty transferred pursuant to the Surplus Property Act*
7 *of 1944, as amended, to States, political subdivisions,*
8 *and tax-supported instrumentalities thereof for use in*
9 *the training and maintenance of civilian components of*
10 *the armed forces,*

11 *is authorized and directed—*

12 *(i) to determine and enforce compliance with the*
13 *terms, conditions, reservations, and restrictions contained*
14 *in any instrument by which such transfer was made;*

15 *(ii) to reform, correct, or amend any such instru-*
16 *ment by the execution of a corrective, reformatory, or*
17 *amendatory instrument where necessary to correct such*
18 *instrument or to conform such transfer to the require-*
19 *ments of applicable law; and*

20 *(iii) to (I) grant releases from any of the terms,*
21 *conditions, reservations, and restrictions contained in,*
22 *and (II) convey, quitclaim, or release to the transferee*
23 *or other eligible user any right or interest reserved to*
24 *the United States by, any instrument by which such*
25 *transfer was made, if he determines that the property*

1 so transferred no longer serves the purpose for which it
2 was transferred, and that such release, conveyance, or
3 quitclaim deed will not prevent accomplishment of the
4 purpose for which such property was so transferred:
5 Provided, That any such release, conveyance, or quit-
6 claim deed may be granted on, or made subject to, such
7 terms and conditions as he shall deem necessary to
8 protect or advance the interests of the United States.

9 (1) The Administrator is authorized to take possession
10 of abandoned and other unclaimed property on premises
11 owned or leased by the Government, to determine when
12 title thereto vested in the United States, and to utilize,
13 transfer or otherwise dispose of such property. Former
14 owners of such property upon proper claim filed within three
15 years from the date of vesting of title in the United States
16 shall be paid the proceeds realized from the disposition of
17 such property or, if the property is used or transferred, the
18 fair value therefor as of the time title was vested in the
19 United States as determined by the Administrator, less in
20 either case the costs incident to the care and handling of
21 such property as determined by the Administrator.

22 PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

23 SEC. 204. (a) All proceeds under this title from any
24 transfer of excess property to a Federal agency for its use,
25 or from any sale, lease, or other disposition of surplus prop-

erty, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), and (d) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: Provided, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts

1 so to be refunded or paid, without regard to the origin of
2 the funds withdrawn.

3 (d) Where any contract entered into by an executive
4 agency or any subcontract under such contract authorizes
5 the proceeds of any sale of property in the custody of the
6 contractor or subcontractor to be credited to the price or
7 cost of the work covered by such contract or subcontract,
8 the proceeds of any such sale shall be credited in accordance
9 with the contract or subcontract.

10 (e) Where credit has been extended in connection with
11 any disposition of surplus property under this title or by
12 War Assets Administration (or its predecessor agencies)
13 under the Surplus Property Act of 1944, or where such
14 disposition has been by lease or permit, the Administrator
15 shall administer and manage such credit, lease, or permit,
16 and any security therefor, and may enforce, adjust, and
17 settle any right of the Government with respect thereto in
18 such manner and upon such terms as he deems in the best
19 interest of the Government.

20 POLICIES, REGULATIONS, AND DELEGATIONS

21 SEC. 205. (a) The President may prescribe such poli-
22 cies and directives, not inconsistent with the provisions of
23 this Act, as he shall deem necessary to effectuate the provi-
24 sions of this Act, which policies and directives shall govern

1 the Administrator and executive agencies in carrying out
2 their respective functions hereunder.

3 (b) The Comptroller General shall prescribe principles
4 and standards of accounting for property, after considering
5 the needs and requirements of the executive agencies, coop-
6 erate with the Administrator and with the executive agencies
7 in the development of property accounting systems, and ap-
8 prove such systems when deemed to be adequate and in con-
9 formity with prescribed principles and standards. From time
10 to time the General Accounting Office shall examine such
11 property accounting systems as are established by the ex-
12 ecutive agencies to determine the extent of compliance with
13 prescribed principles and standards and approved systems,
14 and the Comptroller General shall report to the Congress any
15 failure to comply with such principles and standards or to
16 adequately account for property.

17 (c) The Administrator shall prescribe such regulations
18 as he deems necessary to effectuate his functions under
19 this Act, and the head of each Federal agency shall cause
20 to be issued such orders and directives as such head deems
21 necessary to carry out such regulations.

22 (d) The Administrator is authorized to delegate and
23 to authorize successive redelegation of any authority trans-

1 *ferred to or vested in him by this Act (except for the*
2 *authority to issue regulations on matters of policy having*
3 *application to executive agencies, the authority contained*
4 *in section 106, and except as otherwise provided in this*
5 *Act) to any official in the General Services Agency or to*
6 *the head of any other Federal agency.*

7 *(e) With respect to any function transferred to or*
8 *vested in the General Services Agency or the Administrator*
9 *by this Act, the Administrator may (1) direct the under-*
10 *taking of its performance by the General Services Agency*
11 *or by any constituent organization therein which he may*
12 *designate or establish; or (2) designate and authorize any*
13 *executive agency to perform such function for itself; or (3)*
14 *designate and authorize any other executive agency to per-*
15 *form such function; or (4) provide for such performance*
16 *by any combination of the foregoing methods. Any desig-*
17 *nation or assignment of functions or delegation of authority*
18 *to another executive agency under this section shall be made*
19 *only with the consent of the executive agency concerned*
20 *or upon direction of the President.*

21 *(f) When any executive agency (including the Gen-*
22 *eral Services Agency and constituent organizations there-*
23 *of) is authorized and directed by the Administrator to carry*
24 *out any function under this Act, the Administrator may,*
25 *with the approval of the Director of the Bureau of the*

1 *Budget, provide for the transfer of appropriate personnel,*
2 *records, property, and allocated funds of the General Services*
3 *Agency, or of such other executive agency as has theretofore*
4 *carried out such function, to the executive agency so author-*
5 *ized and directed.*

6 *(g) The Administrator may establish advisory com-*
7 *mittees to advise with him with respect to any function*
8 *transferred to or vested in the Administrator by this Act.*
9 *The members thereof shall serve without compensation but*
10 *shall be entitled to transportation and not to exceed \$25*
11 *per diem in lieu of subsistence, as authorized by section 5*
12 *of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons*
13 *so serving.*

14 *(h) The Administrator shall advise and consult with*
15 *interested Federal agencies with a view to obtaining their*
16 *advice and assistance in carrying out the purposes of this*
17 *title.*

18 *SURVEYS AND STANDARDIZATION*

19 *SEC. 206. (a) As he may deem necessary for the effec-*
20 *tuation of his functions under this title, and after adequate*
21 *advance notice to the agencies affected, and with due regard*
22 *to the requirements of the National Military Establishment*
23 *as determined by the Secretary of Defense, the Adminis-*
24 *trator is authorized (1) to make surveys of Government*
25 *property and property management practices and obtain*

1 reports thereon from Federal agencies; (2) to cooperate
2 with executive agencies in the establishment of reasonable
3 inventory levels for property stocked by them and from time
4 to time report any excessive stocking to the Congress and
5 to the Director of the Bureau of the Budget; (3) to estab-
6 lish and maintain such uniform Federal supply catalog system
7 as may be appropriate to identify and classify personal prop-
8 erty under the control of Federal agencies: Provided, That
9 the Administrator shall coordinate his activities hereunder
10 with the cataloging activities of the National Military Estab-
11 lishment so as to avoid unnecessary duplication; and (4) to
12 prescribe standardized forms and procedures, except such
13 as the Comptroller General is authorized by law to prescribe,
14 and standard purchase specifications.

15 (b) Each executive agency shall utilize such uniform
16 Federal supply catalog system and standard purchase speci-
17 fications as far as practicable, taking into consideration
18 efficiency, economy, and other interests of the Government.

19 (c) The General Accounting Office shall audit all types
20 of property accounts and transactions at such times and in
21 such manner as determined by the Comptroller General.
22 Such audit shall be conducted as far as practicable at the
23 place or places where the property or records of the execu-
24 tive agencies are kept and shall include but not necessarily
25 be limited to an evaluation of the effectiveness of internal

1 controls and audits, and a general audit of the discharge of
2 accountability for Government-owned or controlled property
3 based upon generally accepted principles of auditing.

4 *APPLICABILITY OF ANTITRUST LAWS*

5 *SEC. 207. Whenever any executive agency shall begin*
6 *negotiations for the disposition to private interests of a plant*
7 *or plants, or other property, which cost the Government*
8 *\$1,000,000 or more, or of patents, processes, techniques, or*
9 *inventions, irrespective of cost, the executive agency shall*
10 *promptly notify the Attorney General of the proposed dis-*
11 *posal and the probable terms or conditions thereof. Within*
12 *a reasonable time, in no event to exceed thirty days after*
13 *receiving such notification, the Attorney General shall advise*
14 *the Administrator and the interested executive agency*
15 *whether, insofar as he can determine, the proposed disposition*
16 *would tend to create or maintain a situation inconsistent with*
17 *the antitrust laws. Upon the request of the Attorney*
18 *General, the Administrator or interested executive agency*
19 *shall furnish or cause to be furnished such information as it*
20 *may possess which the Attorney General determines to be*
21 *appropriate or necessary to enable him to give the advice*
22 *called for by this section or to determine whether any other*
23 *disposition or proposed disposition of surplus property*
24 *violates the antitrust laws. Nothing in this Act shall impair,*
25 *amend, or modify the antitrust laws or limit and prevent their*

1 application to persons who buy or otherwise acquire property
2 under the provisions of this Act. As used in this section, the
3 term "antitrust laws" includes the Act of July 2, 1890 (26
4 Stat. 209, as amended); the Act of October 15, 1914 (38
5 Stat. 730, as amended); the Federal Trade Commission
6 Act (38 Stat. 717, as amended); and sections 73 and 74 of
7 the Act of August 27, 1894 (28 Stat. 570, as amended).

8 EMPLOYMENT OF PERSONNEL

9 SEC. 208. (a) The Administrator is authorized, subject
10 to the civil-service and classification laws, to appoint and fix
11 the compensation of such personnel as may be necessary
12 to carry out the provisions of title I, II, III, and V of this
13 Act.

14 (b) To such extent as he finds necessary to carry out
15 the provisions of titles I, II, III, and V of this Act, the Ad-
16 ministrator is hereby authorized to procure the temporary
17 (not in excess of one year) or intermittent services of experts
18 or consultants or organizations thereof, including stenographic
19 reporting services, by contract or appointment, and in such
20 cases such service shall be without regard to the civil-service
21 and classification laws, and, except in the case of stenographic
22 reporting services by organizations, without regard to section
23 3709, Revised Statutes, as amended (41 U. S. C. 5).

24 (c) Notwithstanding the provisions of section 1222 of
25 the Revised Statutes (10 U. S. C. 576) or of any other

1 *provision of law, the Administrator in carrying out the*
2 *functions imposed upon him by this Act is authorized to*
3 *utilize in his agency the services of officials, officers, and*
4 *other personnel in other executive agencies, including per-*
5 *sonnel of the armed services, with the consent of the head of*
6 *the agency concerned.*

7 *CIVIL REMEDIES AND PENALTIES*

8 *SEC. 209. (a) Where any property is transferred or*
9 *disposed of in accordance with this Act and any regulations*
10 *prescribed hereunder, no officer or employee of the Govern-*
11 *ment shall (1) be liable with respect to such transfer or*
12 *disposition except for his own fraud, or (2) be accountable*
13 *for the collection of any purchase price for such property*
14 *which is determined to be uncollectible by the Federal agency*
15 *responsible therefor.*

16 *(b) Every person who shall use or engage in, or cause*
17 *to be used or engaged in, or enter into an agreement, com-*
18 *bination, or conspiracy to use or engage in or to cause to*
19 *be used or engaged in, any fraudulent trick, scheme, or*
20 *device, for the purpose of securing or obtaining, or aiding to*
21 *secure or obtain, for any person any payment, property, or*
22 *other benefits from the United States or any Federal agency*
23 *in connection with the procurement, transfer, or disposition*
24 *of property hereunder—*

25 *(1) shall pay to the United States the sum of*

1 \$2,000 for each such act, and double the amount of any
2 damage which the United States may have sustained by
3 reason thereof, together with the cost of suit; or

4 (2) shall, if the United States shall so elect, pay
5 to the United States, as liquidated damages, a sum equal
6 to twice the consideration agreed to be given by the
7 United States or any Federal agency to such person or
8 by such person to the United States or any Federal
9 agency, as the case may be; or

10 (3) shall, if the United States shall so elect, re-
11 store to the United States the money or property thus
12 secured and obtained and the United States shall retain
13 as liquidated damages any property, money, or other
14 consideration given to the United States or any Federal
15 agency for such money or property, as the case may be.

16 (c) The several district courts of the United States,
17 the District Court of the United States for the District of
18 Columbia, and the several district courts of the Territories
19 and possessions of the United States, within whose jurisdic-
20 tional limits the person, or persons, doing or committing such
21 act, or any one of them, resides or shall be found, shall where-
22 soever such act may have been done or committed, have
23 full power and jurisdiction to hear, try, and determine such
24 suit.

25 (d) The civil remedies provided in this section shall

1 *be in addition to all other criminal penalties and civil*
2 *remedies provided by law.*

3 *REPORTS TO CONGRESS*

4 *SEC. 210. The Administrator shall submit a report to*
5 *the Congress, in January of each year and at such*
6 *other times as he may deem it desirable, regarding the ad-*
7 *ministration of his functions under this Act, together with*
8 *such recommendations for amendments to this Act as*
9 *he may deem appropriate as the result of the administration*
10 *of this Act.*

11 *TITLE III—PROCUREMENT PROCEDURE*

12 *DECLARATION OF PURPOSE*

13 *SEC. 301. The purpose of this title is to facilitate the*
14 *procurement of supplies and services.*

15 *APPLICATION AND PROCUREMENT METHODS*

16 *SEC. 302. (a) The provisions of this title shall be ap-*
17 *plicable to purchases and contracts for supplies or services*
18 *made—*

19 *(1) by the General Services Agency for the use*
20 *of such agency or otherwise; and*

21 *(2) by any other executive agency (except any*
22 *agency named in section 2 (a) of the Armed Services*
23 *Procurement Act of 1947), to the extent of and in con-*
24 *formity with authority delegated by the Administrator*
25 *pursuant to the provisions of this subsection.*

1 *The Administrator may delegate to the head of any other*
2 *such agency authority to make purchases and contracts for*
3 *supplies or services pursuant to the provisions of this title*
4 *(A) for the use of two or more executive agencies or (B)*
5 *in other cases upon a determination by the Administrator*
6 *that by reason of circumstances set forth in such determina-*
7 *tion such delegation is advantageous to the Government in*
8 *terms of economy, efficiency, or national security. Notice*
9 *of every such delegation of authority so made shall be fur-*
10 *nished to the General Accounting Office.*

11 *(b) It is the declared policy of the Congress that a fair*
12 *proportion of the total purchases and contracts for supplies*
13 *and services for the Government shall be placed with small-*
14 *business concerns. Whenever it is proposed to make a*
15 *contract or purchase in excess of \$10,000 by negotiation*
16 *and without advertising, pursuant to the authority of para-*
17 *graph (7) or (8) of section 302 (c) of this title, suitable*
18 *advance publicity, as determined by the agency head with*
19 *due regard to the type of supplies involved and other rel-*
20 *evant considerations, shall be given for a period of at least*
21 *fifteen days, wherever practicable, as determined by the*
22 *agency head.*

23 *(c) All purchases and contracts for supplies and serv-*
24 *ices shall be made by advertising, as provided in section 303,*

1 *except that such purchases and contracts may be negotiated*
2 *by the agency head without advertising if—*

3 (1) *determine to be necessary in the public*
4 *interest during the period of a national emergency*
5 *declared by the President or by the Congress;*

6 (2) *the public exigency will not admit of the delay*
7 *incident to advertising;*

8 (3) *the aggregate amount involved does not exceed*
9 *\$1,000: Provided, That no agency other than the*
10 *General Services Agency shall make any purchase of,*
11 *or contract for, supplies or services in excess of \$500*
12 *under this paragraph except in the exercise of authority*
13 *conferred by the Administrator to procure and furnish*
14 *supplies and services for the use of two or more executive*
15 *agencies;*

16 (4) *for personal or professional services;*

17 (5) *for any service to be rendered by any univer-*
18 *sity, college, or other educational institution;*

19 (6) *the supplies or services are to be procured and*
20 *used outside the limits of the United States and its*
21 *possessions;*

22 (7) *for medicines or medical supplies;*

23 (8) *for supplies purchased for authorized resale;*

1 (9) for supplies or services for which it is imprac-
2 ticable to secure competition;

3 (10) the agency head determines that the purchase
4 or contract is for experimental, developmental, or re-
5 search work, or for the manufacture or furnishing of
6 supplies for experimentation, development, research, or
7 test: Provided, That beginning six months after the
8 effective date of this title and at the end of each six-
9 month period thereafter, there shall be furnished to the
10 Congress a report setting forth the name of each con-
11 tractor with whom a contract has been entered into
12 pursuant to this paragraph (10) since the date of the
13 last such report, the amount of the contract, and, with
14 due consideration given to the national security, a de-
15 scription of the work required to be performed
16 thereunder;

17 (11) for supplies or services as to which the agency
18 head determines that the character, ingredients, or com-
19 ponents thereof are such that the purchase or contract
20 should not be publicly disclosed;

21 (12) for equipment which the agency head deter-
22 mines to be technical equipment, and as to which he
23 determines that the procurement thereof without ad-
24 vertising is necessary in special situations or in particular
25 localities in order to assure standardization of equipment

1 and interchangeability of parts and that such standard-
2 ization and interchangeability is necessary in the public
3 interest;

4 (13) for supplies or services as to which the agency
5 head determines that bid prices after advertising there-
6 for are not reasonable (either as to all or as to some part
7 of the requirements) or have not been independently
8 arrived at in open competition: Provided, That no
9 negotiated purchase or contract may be entered into
10 under this paragraph after the rejection of all or some
11 of the bids received unless (A) notification of the inten-
12 tion to negotiate and reasonable opportunity to negotiate
13 shall have been given by the agency head to each re-
14 sponsible bidder and (B) the negotiated price is the
15 lowest negotiated price offered by any responsible
16 supplier; or

17 (14) otherwise authorized by law.

18 (d) If in the opinion of the agency head bids received
19 after advertising evidence any violation of the antitrust laws
20 he shall refer such bids to the Attorney General for appro-
21 priate action.

22 (e) This section shall not be construed to (A) authorize
23 the erection, repair, or furnishing of any public building or
24 public improvement, but such authorization shall be required
25 in the same manner as heretofore, or (B) permit any con-

1 *tract for the construction or repair of buildings, roads, side-*
2 *walks, sewers, mains, or similar items to be negotiated with-*
3 *out advertising as required by section 303, unless such con-*
4 *tract is to be performed outside the continental United States*
5 *or unless negotiation of such contract is authorized by the*
6 *provisions of paragraph (1), (2), (3), (9), (10), (11),*
7 *or (13) of subsection (c) of this section.*

8 *ADVERTISING REQUIREMENTS*

9 *SEC. 303. Whenever advertising is required—*

10 *(a) The advertisement for bids shall be made a sufficient*
11 *time previous to the purchase or contract, and specifications*
12 *and invitations for bids shall permit such full and free com-*
13 *petition as is consistent with the procurement of types of*
14 *supplies and services necessary to meet the requirements of*
15 *the agency concerned.*

16 *(b) All bids shall be publicly opened at the time and*
17 *place stated in the advertisement. Award shall be made with*
18 *reasonable promptness by written notice to that responsible*
19 *bidder whose bid, conforming to the invitation for bids, will*
20 *be most advantageous to the Government. price and other*
21 *factors considered: Provided, That all bids may be rejected*
22 *when the agency head determines that it is in the public*
23 *interest so to do.*

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee,

1 as determined by the agency head at the time of entering
2 into such contract (except that a fee not in excess of 15
3 per centum of such estimated cost is authorized in any
4 such contract for experimental, developmental, or research
5 work and that a fee inclusive of the contractor's costs and
6 not in excess of 6 per centum of the estimated cost, exclu-
7 sive of fees, as determined by the agency head at the time
8 of entering into the contract, of the project to which such
9 fee is applicable is authorized in contracts for architectural
10 or engineering services relating to any public works or
11 utility project). Neither a cost nor a cost-plus-a-fixed-fee
12 contract nor an incentive-type contract shall be used unless
13 the agency head determines that such method of contract-
14 ing is likely to be less costly than other methods or that
15 it is impractical to secure supplies or services of the kind
16 or quality required without the use of a cost or cost-plus-
17 a-fixed-fee contract or an incentive-type contract. All cost
18 and cost-plus-a-fixed-fee contracts shall provide for advance
19 notification by the contractor to the procuring agency of
20 any subcontract thereunder on a cost-plus-a-fixed-fee basis
21 and of any fixed-price subcontract or purchase order which
22 exceeds in dollar amount either \$25,000 or 5 per centum
23 of the total estimated cost of the prime contract; and a
24 procuring agency, through any authorized representative
25 thereof, shall have the right to inspect the plans and to audit

1 *the books and records of any prime contractor or subcon-*
2 *tractor engaged in the performance of a cost or cost-plus-a-*
3 *fixed-fee contract.*

4 *ADVANCE PAYMENTS*

5 *SEC. 305. (a) The agency head may make advance*
6 *payments under negotiated contracts heretofore or hereafter*
7 *executed in any amount not exceeding the contract price*
8 *upon such terms as the parties shall agree: Provided, That*
9 *advance payments shall be made only upon adequate security*
10 *and if the agency head determines that provision for such*
11 *advance payments is in the public interest or in the interest*
12 *of the national defense and is necessary and appropriate in*
13 *order to procure required supplies or services under the*
14 *contract.*

15 *(b) The terms governing advance payments may in-*
16 *clude as security provision for, and upon inclusion of such*
17 *provision there shall thereby be created, a lien in favor of*
18 *the Government, paramount to all other liens, upon the*
19 *supplies contracted for, upon the credit balance in any special*
20 *account in which such payments may be deposited and upon*
21 *such of the material and other property acquired for perform-*
22 *ance of the contract as the parties shall agree.*

23 *WAIVER OF LIQUIDATED DAMAGES*

24 *SEC. 306. Whenever any contract made on behalf of*

1 *the Government by the agency head or by officers authorized*
2 *by him so to do includes a provision for liquidated damages*
3 *for delay, the Comptroller General on the recommendation*
4 *of the agency head is authorized and empowered to remit*
5 *the whole or any part of such damages as in his discretion*
6 *may be just and equitable.*

7 *ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS*

8 *SEC. 307. (a) The determinations and decisions pro-*
9 *vided in this title to be made by the Administrator or other*
10 *agency head may be made with respect to individual pur-*
11 *chases and contracts or with respect to classes of purchases*
12 *or contracts, and shall be final. Except as provided in sub-*
13 *section (b) of this section, the agency head is authorized*
14 *to delegate his powers provided by this title, including the*
15 *making of such determinations and decisions, in his discre-*
16 *tion and subject to his direction, to any other officer or*
17 *officers or officials of the agency.*

18 *(b) The power of the agency head to make the deter-*
19 *minations or decisions specified in paragraphs (11) and*
20 *(12) of section 302 (c) and in section 305 (a) shall not*
21 *be delegable, and the power to make the determinations*
22 *or decisions specified in paragraph (10) of section 302 (c)*
23 *shall be delegable only to a chief officer responsible for*
24 *procurement and only with respect to contracts which will*
25 *not require the expenditure of more than \$25,000. The*

1 power of the Administrator to make the delegations and
2 determinations specified in section 302 (a) shall be delegable
3 only to the Deputy Administrator or to the chief official
4 of any principal organizational unit of the General Services
5 Agency.

6 (c) Each determination or decision required by para-
7 graphs (10), (11), (12), or (13) of section 302 (c), by
8 section 304 or by section 305 (a) shall be based upon
9 written findings made by the official making such deter-
10 mination, which findings shall be final and shall be available
11 within the agency for a period of at least six years following
12 the date of the determination. A copy of the findings shall
13 be submitted to the General Accounting Office with the
14 contract.

15 (d) In any case where any purchase or contract is
16 negotiated pursuant to the provisions of section 302 (c),
17 except in a case covered by paragraphs (2), (3), (4),
18 (5), or (6) thereof, the data with respect to the negotiation
19 shall be preserved in the files of the agency for a period of
20 six years following final payment on such contract.

21 STATUTES CONTINUED IN EFFECT

22 SEC. 308. No purchase or contract shall be exempt
23 from the Act of June 30, 1936 (49 Stat. 2036, as amended;
24 41 U. S. C. 35 to 45), or from the Act of March 3, 1931
25 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6),

1 solely by reason of having been entered into pursuant to sec-
 2 tion 302 (c) hereof without advertising, and the provisions
 3 of said Acts and of the Act of June 19, 1912 (37 Stat. 137,
 4 as amended; 40 U. S. C. 324 and 325a), if otherwise
 5 applicable, shall apply to such purchases and contracts.

6 DEFINITIONS

7 SEC. 309. As used in this title—

8 (a) The term “agency head” shall mean the head or
 9 any assistant head of any executive agency, and may at the
 10 option of the Administrator include the chief official of any
 11 principal organizational unit of the General Services Agency.

12 (b) The term “supplies” shall mean all property except
 13 land, and shall include, by way of description and without
 14 limitation, public works, buildings, facilities, ships, floating
 15 equipment, and vessels of every character, type and descrip-
 16 tion (except the categories of naval vessels named in section
 17 3 (d)), aircraft, parts, accessories, equipment, machine tools
 18 and alteration or installation thereof.

19 STATUTES NOT APPLICABLE

20 SEC. 310. The following provisions of law shall not
 21 apply to the procurement of supplies or services (1) by
 22 the General Services Agency, or (2) within the scope of
 23 authority delegated by the Administrator to any other
 24 executive agency:

1 *Revised Statutes, section 3709, as amended (41 U. S. C.*
2 *5);*

3 *Revised Statutes, section 3735 (41 U. S. C. 13);*

4 *Sections 1 and 2 of the Act of October 10, 1940 (54*
5 *Stat. 1109, as amended; 41 U. S. C. 6 and 6a).*

6 *TITLE IV—FOREIGN EXCESS PROPERTY*

7 *DISPOSAL OF FOREIGN EXCESS PROPERTY*

8 *SEC. 401. Each executive agency having foreign excess*
9 *property shall be responsible for the disposal thereof: Pro-*
10 *vided, That (a) the head of each such executive agency*
11 *shall, with respect to the disposition of such property, con-*
12 *form to the foreign policy of the United States; (b) the*
13 *Secretary of State shall have the authority to use foreign*
14 *currencies and credits acquired by the United States under*
15 *section 402 (b) of this Act in order to effectuate the pur-*
16 *poses of section 32 (b) (2) of the Surplus Property Act*
17 *of 1944, as amended, and the Foreign Service Buildings*
18 *Act of May 7, 1926, as amended (including Public Law*
19 *547, Seventy-ninth Congress (60 Stat. 663)), and for*
20 *the purpose of paying any other governmental expenses pay-*
21 *able in local currencies, and the authority to amend, modify,*
22 *and renew agreements in effect on the effective date of*
23 *this Act; (c) any foreign currencies or credits acquired*
24 *by the Department of State pursuant to such agreements*

1 shall be administered in accordance with procedures that
2 may from time to time be established by the Secretary of
3 the Treasury and, if and when reduced to United States
4 currency, shall be covered into the Treasury as miscellaneous
5 receipts; and (d) the Department of State shall, except to
6 such extent as the President shall otherwise determine, con-
7 tinue to perform other functions with respect to agreements
8 for the disposal of foreign excess property in effect on the
9 effective date of the Act.

10 METHODS AND TERMS OF DISPOSAL

11 SEC. 402. Foreign excess property may be disposed of
12 (a) by sale, exchange, lease, or transfer, for cash, credit,
13 or other property, with or without warranty, and upon such
14 other terms and conditions as the head of the executive
15 agency concerned deems proper; but in no event shall any
16 agricultural commodity, food, or cotton or woolen goods be
17 sold without a condition forbidding their importation into
18 the United States, unless the Secretary of Agriculture deter-
19 mines that such property is in short supply in this country,
20 or (b) for foreign currencies or credits, or substantial bene-
21 fits or the discharge of claims resulting from the compromise
22 or settlement of such claims by any executive agency in
23 accordance with the law, whenever the head of the execu-
24 tive agency concerned determines that it is in the interest
25 of the United States to do so. Such property may be dis-

1 posed of without advertising when the head of the executive
 2 agency concerned finds so doing to be most practicable and
 3 to be advantageous to the Government. The head of each
 4 executive agency responsible for the disposal of foreign
 5 excess property may execute such documents for the transfer
 6 of title or other interest in property and take such other
 7 action as he deems necessary or proper to dispose of such
 8 property; and may authorize the abandonment, destruction,
 9 or donation of foreign excess property under his control
 10 which has no commercial value or the estimated cost of
 11 care and handling of which would exceed the estimated
 12 proceeds from its sale.

13 *PROCEEDS, FOREIGN CURRENCIES*

14 *SEC. 403. Proceeds from the sale, lease, or other dis-*
 15 *position of foreign excess property, (a) shall, if in the*
 16 *form of foreign currencies or credits, be administered in ac-*
 17 *cordance with procedures that may from time to time be*
 18 *established by the Secretary of the Treasury, and (b) shall,*
 19 *if in United States currency, or when any proceeds in foreign*
 20 *currencies or credits shall be reduced to United States cur-*
 21 *rency, be covered into the Treasury as miscellaneous re-*
 22 *ceipts: Provided, That the provisions of section 204 (b)*
 23 *(which by their terms apply to property disposed of under*
 24 *title II) shall be applicable to proceeds of foreign excess*
 25 *property disposed of for United States currency under this*

1 *title IV: And provided further, That any executive agency*
2 *disposing of foreign excess property under this title (1) may*
3 *deposit, in a special account with the Treasurer of the United*
4 *States, such amount of the proceeds of such dispositions*
5 *as it deems necessary to permit appropriate refunds to pur-*
6 *chasers when any disposition is rescinded or does not become*
7 *final, or payments for breach of any warranty, and (2)*
8 *may withdraw therefrom amounts so to be refunded or paid,*
9 *without regard to the origin of the funds withdrawn.*

10

MISCELLANEOUS PROVISIONS

11

12 *SEC. 404. (a) The President may prescribe such poli-*
13 *cies, not inconsistent with the provisions of this title, as he*
14 *shall deem necessary to effectuate the provisions of this title,*
15 *which provisions shall guide each executive agency in carry-*

16

17 *ing out its functions hereunder.*
18 *(b) Any authority conferred upon any executive agency*
19 *or the head thereof by the provisions of this title may be*
20 *delegated, and successive redelegation thereof may be author-*
21 *ized, by such head to any official in such agency or to the*
22 *head of any other executive agency.*

23

24 *(c) The head of each executive agency responsible for*
25 *the disposal of foreign excess property hereunder may, as*
26 *may be necessary to carry out his functions under this*
27 *title, (1) subject to the civil-service and classification laws,*
28 *appoint and fix the compensation of personnel, and (2)*

1 without regard to the civil-service and classification laws,
2 appoint and fix the compensation of personnel outside the
3 continental limits of the United States.

4 (d) Each executive agency responsible for the dis-
5 posal of foreign excess property under this title shall submit
6 a report to Congress in January of each year or at such other
7 time or times as he may deem desirable relative to its
8 activities under this title, together with any appropriate
9 recommendations.

10 (e) There shall be transferred from the Department of
11 State to each other executive agency affected by this title
12 such records, property, personnel, obligations, commitments,
13 and unexpended balances of appropriations, allocations, and
14 other funds, available or to be made available, as the Direc-
15 tor of the Bureau of the Budget shall determine to relate to
16 functions of such agency under this title which have here-
17 tofore been administered by the Department of State.

18 TITLE V—GENERAL PROVISIONS

19 APPLICABILITY OF EXISTING PROCEDURES

20 SEC. 501. All policies, procedures, and directives
21 prescribed—

22 (a) by either the Director, Bureau of Federal Sup-
23 ply, or the Secretary of the Treasury and relating to
24 any function transferred to or vested in the Adminis-
25 trator by the provisions of this Act;

1 (b) by any officer of the Government under the
2 authority of the Surplus Property Act of 1944, as
3 amended, or under other authority with respect to sur-
4 plus property or foreign excess property;

5 (c) by or under authority of the Federal Works
6 Administrator or the head of any constituent agency of
7 the Federal Works Agency; and

8 (d) by the Archivist of the United States or any
9 other officer or body whose functions are transferred by
10 title I of this Act,

11 in effect upon the effective date of this Act and not incon-
12 sistent herewith, shall remain in full force and effect unless
13 and until superseded, or except as they may be amended,
14 under the authority of this Act or under other appropriate
15 authority.

16 REPEAL AND SAVING PROVISIONS

17 SEC. 502. (a) There are hereby repealed—

18 (1) the Surplus Property Act of 1944, as amended
19 (except sections 13 (d), 13 (g), 13 (h), 28, and 32
20 (b) (2)), and sections 501 and 502 of Reorganiza-
21 tion Plan Numbered 1 of 1947: Provided, That, with
22 respect to the disposal under this Act of any surplus real
23 estate, all priorities and preferences provided for in said
24 Act, as amended, shall continue in effect until 12 o'clock
25 noon (eastern standard time), December 31, 1949;

(2) that portion of the Act entitled "An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption "Surplus property disposal";

(3) the Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

(4) the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

(6) section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

(7) the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress);

1 (8) section 203 of the Act of June 26, 1943 (57
2 Stat. 195, as amended; 5 U. S. C. 118d-1);

3 (9) the Act of April 15, 1937 (50 Stat. 64; 5
4 U. S. C. 118d);

5 (10) the second proviso contained in the para-
6 graph of the Act of August 10, 1912 (37 Stat. 296;
7 5 U. S. C. 545), headed "Contingent expenses, Depart-
8 ment of Agriculture";

9 (11) the second proviso contained in the twentieth
10 paragraph of section 1 of the Act of March 2, 1917
11 (39 Stat. 973; 5 U. S. C. 494);

12 (12) the twenty-sixth paragraph under the head-
13 ing "National Parks" of the Act of January 24, 1923
14 (42 Stat. 1215; 16 U. S. C. 9);

15 (13) the fifth paragraph under the heading "Ex-
16 periments and demonstrations in livestock production
17 in the cane-sugar and cotton districts of the United
18 States" of the Act of June 30, 1914 (38 Stat. 441; 5
19 U. S. C. 546);

20 (14) the proviso contained in the second para-
21 graph under the heading "Library, Department of
22 Agriculture" of the Act of March 4, 1915 (38 Stat.
23 1107; 5 U. S. C. 548);

24 (15) the second proviso contained in the second
25 paragraph under the heading "Clothing and camp and

1 *garrison equipage*” of section 1 of the Act of August
2 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

3 (16) the Act of May 11, 1939 (53 Stat. 739;
4 10 U. S. C. 1271a);

5 (17) the fifth paragraph under the heading “Office
6 of the Chief Signal Officer” of the Act of May 12, 1917
7 (40 Stat. 43, as amended; 10 U. S. C. 1272);

8 (18) the third proviso contained in the second
9 paragraph under the heading “Office of the Chief Signal
10 Officer” of the Act of March 4, 1915 (38 Stat. 1064;
11 10 U. S. C. 1273);

12 (19) the fourteenth paragraph under the heading
13 “Smithsonian Institution” of section 1 of the Act of
14 March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

15 (20) the second paragraph under the heading
16 “Government hospital for the insane” of section 1 of
17 the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C.
18 173);

19 (21) the second paragraph under the heading
20 “Saint Elizabeths Hospital” of section 1 of the Act of
21 June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

22 (22) the proviso contained in the second para-
23 graph under the heading “Bureau of Supplies and Ac-
24 counts” of the Act of August 22, 1912 (37 Stat. 346;
25 34 U. S. C. 531a);

1 (23) the second proviso of the first paragraph
2 under the heading "Bureau of Yards and Docks" of
3 the Act of August 29, 1916 (34 U. S. C. 532);

4 (24) the proviso contained in the second paragraph
5 under the heading "Maintenance, Quartermaster's De-
6 partment, Marine Corps" of the Act of March 4, 1917
7 (39 Stat. 1189; 34 U. S. C. 723);

8 (25) the twentieth paragraph under the heading
9 "Bureau of Mines" of section 1 of the Act of July 19,
10 1919 (41 Stat. 200; 40 U. S. C. 118);

11 (26) the first sentence of section 5 of the Act of
12 March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

13 (27) the third paragraph under the heading "In-
14 terstate Commerce Commission" of section 1 of the Act
15 of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

16 (28) the Act of June 6, 1941 (55 Stat. 247;
17 14 U. S. C. 31b);

18 (29) section 4 of the Act of June 17, 1910 (36
19 Stat. 531; 41 U. S. C. 7);

20 (30) the Act of February 27, 1929 (45 Stat. 1341;
21 41 U. S. C. 7a, 7b, 7c, and 7d); and

22 (31) section 1 of the Act of May 14, 1935 (49
23 Stat. 234; 41 U. S. C. 7c-1).

24 (b) The provisions of the first, third, and fifth para-
25 graphs of section 1 of Executive Order Numbered 6166 of

1 *June 10, 1933, are hereby superseded, insofar as they relate*
2 *to any function now administered by the Bureau of Federal*
3 *Supply except functions with respect to standard contract*
4 *forms, transportation, and traffic management.*

5 *(c) The authority conferred by this Act is in addition*
6 *to any authority conferred by any other law and shall not*
7 *be subject to the provisions of any law inconsistent herewith,*
8 *except that sections 205 (b) and 206 (c) of this Act shall*
9 *not be applicable to any Government corporation or agency*
10 *which is subject to the Government Corporation Control Act*
11 *(59 Stat. 597; 31 U. S. C. 841).*

12 *(d) Nothing in this Act shall impair or affect any*
13 *authority of—*

14 *(1) the President under the Philippine Property*
15 *Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);*

16 *(2) any executive agency with respect to any phase*
17 *(including, but not limited to, procurement, storage,*
18 *transportation, processing, and disposal) of any pro-*
19 *gram conducted for purposes of resale, price support,*
20 *grants to farmers, stabilization, transfer to foreign gov-*
21 *ernments, or foreign aid, relief, or rehabilitation: Pro-*
22 *vided, That the agency carrying out such program shall,*
23 *to the maximum extent practicable, consistent with the*
24 *fulfillment of the purposes of the program and the effec-*
25 *tive and efficient conduct of its business, coordinate its*

1 *operations with the requirements of this Act and the*
2 *policies and regulations prescribed pursuant thereto;*

3 *(3) any executive agency named in the Armed*
4 *Services Procurement Act of 1947, and the head thereof,*
5 *with respect to the administration of said Act;*

6 *(4) the National Military Establishment with re-*
7 *spect to property required for or located in occupied*
8 *territories;*

9 *(5) the Secretary of Defense with respect to the*
10 *administration of the National Industrial Reserve Act*
11 *of 1948;*

12 *(6) the Secretary of Defense, the Munitions Board,*
13 *and the Secretaries of the Army, Navy, and Air Force*
14 *with respect to the administration of the Strategic and*
15 *Critical Materials Stock Piling Act (60 Stat. 596),*
16 *and provided that any imported materials which the*
17 *authorized procuring agency shall certify to the Com-*
18 *missioner of Customs to be strategic and critical ma-*
19 *terials procured under said Act may be entered, or*
20 *withdrawn from warehouse, free of duty;*

21 *(7) the Secretary of State under the Foreign Serv-*
22 *ice Buildings Act of May 7, 1926, as amended;*

23 *(8) the Secretary of the Army and the Secretary*
24 *of the Air Force with respect to the administration of*
25 *section 1 (b) of the Act entitled "An Act to expedite*

1 *the strengthening of the national defense*”, approved
2 *July 2, 1940 (54 Stat. 712);*

3 *(9) the Secretary of Agriculture or the Depart-*
4 *ment of Agriculture under (A) the National School*
5 *Lunch Act (60 Stat. 230); (B) the Farmers Home*
6 *Administration Act of 1946 (60 Stat. 1062); (C) the*
7 *Act of August 31, 1947, Public Law 298, Eightieth*
8 *Congress, with respect to the disposal of labor supply*
9 *centers, and labor homes, labor camps, or facilities; (D)*
10 *section 32 of the Act of August 24, 1935 (49 Stat.*
11 *774), as amended, with respect to the exportation and*
12 *domestic consumption of agricultural products; or (E)*
13 *section 201 of the Agricultural Adjustment Act of*
14 *1938 (52 Stat. 36) or section 203 (j) of the Agri-*
15 *cultured Marketing Act of 1946 (60 Stat. 1082);*

16 *(10) the Secretary of Agriculture, Farm Credit*
17 *Administration, or any farm credit board under section*
18 *6 (b) of the Farm Credit Act of 1937 (50 Stat. 706),*
19 *with respect to the acquisition or disposal of property;*

20 *(11) the Housing and Home Finance Agency, or*
21 *any officer or constituent agency therein, with respect*
22 *to the disposal of residential property, or of other prop-*
23 *erty (real or personal) held as part of or acquired for*
24 *or in connection with residential property, or in connec-*

tion with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;*

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property, and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of

1 *distribution and transportation of the mails, and con-*
2 *tracts, negotiations, and proceedings before Federal and*
3 *State regulatory and rate-making bodies, relating to the*
4 *transportation of the mails;*

5 *(16) except as provided in subsections (a) and*
6 *(b) hereof, any other law relating to the procurement,*
7 *utilization, or disposal of property: Provided, That,*
8 *subject to, and within the scope of authority conferred on*
9 *the Administrator by other provisions of this Act, he*
10 *is authorized to prescribe regulations to govern any pro-*
11 *curement, utilization, or disposal of property under any*
12 *such law, whenever but only to the extent he deems such*
13 *action necessary to effectuate the provisions of title II;*

14 *(17) the Central Intelligence Agency; nor*

15 *(18) for such period of time as the President may*
16 *specify, any other authority of any executive agency*
17 *which the President determines within one year after*
18 *the effective date of this Act should, in the public*
19 *interest, stand unimpaired by this Act.*

20 *(e) Section 3709, Revised Statutes, as amended (41*
21 *U. S. C. 5), is amended by striking out “\$100” wherever*
22 *it appears therein and inserting in lieu thereof “\$500.”*

23 *(f) The Administrator shall report to the Congress,*
24 *in January of each year, and at such other times as he may*

1 *deem it desirable, the laws becoming obsolete by reason of*
2 *the passage or operation of titles II and III of this Act.*

3 *AUTHORIZATION FOR APPROPRIATIONS AND TRANSFER*

4 *AUTHORITY*

5 *SEC. 503. (a) There are hereby authorized to be ap-*
6 *propriated such sums as may be necessary to carry out the*
7 *provisions of this Act.*

8 *(b) When authorized by the Director of the Bureau*
9 *of the Budget, any Federal agency may use, for the dis-*
10 *position of property under this Act, and for its care and*
11 *handling pending such disposition, any funds heretofore or*
12 *hereafter appropriated, allocated, or available to it for pur-*
13 *poses similar to those provided for in sections 201, 202,*
14 *203, and 205 of this Act.*

15 *SEPARABILITY*

16 *SEC. 504. If any provision of this Act, or the applica-*
17 *tion thereof to any person or circumstances, is held invalid,*
18 *the remainder of this Act, and the application of such*
19 *provision to other persons or circumstances, shall not be*
20 *affected thereby.*

21 *EFFECTIVE DATE*

22 *SEC. 505. This Act shall become effective on July 1,*
23 *1949, except that the provisions of section 502 (a) (2)*
24 *(repealing prior law relating to the disposition of the affairs*

- 1 *of the War Assets Administration) shall become effective*
2 *on June 30, 1949.*

Passed the House of Representatives June 8, 1949.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with an amendment June 21 (legislative day, June 2), 1949.

Attest: LESLIE L. BIFFLE,
Secretary.

81ST CONGRESS
1ST SESSION

H. R. 4754

AN ACT

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 21 (legislative day, JUNE 2), 1949

Ordered to be printed with the amendment of the Senate

House of Representatives

THURSDAY, JUNE 23, 1949

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord and Master, Thou who hast glorified all that is of earth and sea and sky, to Thee we offer our tribute of praise. On Thee we base our comfort and our hope, and rejoice that our faith is not in vain.

In the discipline of life, which is so often severe, give us strength to be patient and tolerant, comforted in the truth that we are guarded and sheltered in the folds of divine care. Thou who weighest the motives of men, make every weakness a strength and every hindrance an inspiration. Clothe us with that high integrity of purpose that shall be a spiritual reserve sufficient to bear all strain, and that shall give patriotic incentive to our fellow citizens everywhere. In Thy holy name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 20, 1949:

H. R. 2361. An act to provide for the reorganization of Government agencies, and for other purposes; and—

H. R. 2663. An act to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes.

On June 21, 1949:

H. R. 1337. An act to authorize the sale of certain public lands in Alaska to the Alaska Council of Boy Scouts of America for recreation and other public purposes; and

H. R. 3754. An act providing for the temporary deferment in certain unavoidable contingencies of annual assessment work on mining claims held by location in the United States, and enlarging the liability for damages caused to stock raising and other homesteads by mining activities.

On June 22, 1949:

H. R. 5060. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1950, and for other purposes.

On June 23, 1949:

H. R. 4046. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD in two instances and include arti-

cles written by one of his constituents and a newspaper editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REFUND ON VETERANS' INSURANCE

Mr. KEATING. Mr. Speaker, every day the newspapers and radio carry reports of increasing unemployment. Every Member of Congress knows that there are millions of people without jobs today.

The unemployment situation is seriously affecting the Nation's economic condition. The Government, through the Veterans' Administration, is in a position to do something about this situation. The Veterans' Administration has \$2,800,000,000 which belongs to some 16,000,000 veterans of the last war.

The immediate distribution of this great sum of money to the veterans certainly would have some effect on the economic picture and would be a factor in stemming the tide.

Numbered among the 16,000,000 veterans who were overcharged in their insurance rates by the Government are thousands who are now out of work. They could readily use the money which is rightfully theirs. But the Veterans' Administration says refunding of their money will not begin until January of next year. They say it is a big job to mail out these checks. Sure it is a big job, but the Veterans' Administration knew as long ago as June 1948 that these refunds would have to be made. Why the wait until 1950, which happens to be a congressional election year?

The veterans should receive their refunds as soon as possible, certainly by October of this year.

Three billions of dollars unloosed for spending by those who are rightfully and legally entitled to it not only would help the jobless veteran of today but would help the manufacturer, the producer, and their employees.

Give the veterans back their overcharge on insurance now and not wait for an election year.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances; in one to include a newspaper article.

Mr. BUCHANAN asked and was given permission to extend the remarks he will make in Committee of the Whole and include a statement from the mayors of various cities and a petition from the American Municipal Association.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial published in the Buffalo Evening News of June 13.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. RICH]?

There was no objection.

ARMING EUROPE

Mr. RICH. Mr. Speaker, picking up the New York Times and other papers this morning, I note that Secretary Acheson wants this country now, in order to preserve peace, to spend \$1,130,000,000 to arm all of the countries of Europe that join the North Atlantic Pact.

I do not know of anything more ridiculous than to think that in order to get peace now we have to go out and arm all the nations of the world with the idea that we are going to teach them something about peace. Whenever you get a man ready to fight he generally fights. When you get a nation armed to the teeth, it is going to use that, and that means war. If that is the way to peace, then I do not know anything about it.

I am sorry that this country is going to be asked by our Secretary of State to spend \$1,130,000,000 to arm these foreign countries. It just seems to me like there is something wrong in our State Department.

Why get all the implements of war, furnish them to other countries and then say to them they are implements—guns, tanks, bombs—of peace. Why, they will say that is just silly, why, the Americans say that a cannon is an implement of peace, then they will ask that psychiatrists be sent over to America to examine everyone who votes to spend \$1,130,000,000 for war implements for them. I think they would be right. We need peace, we want peace, let's talk peace, let's use our influence for peace; that is the only way to get it and keep it. Peace be with us always, is my vote and my prayer.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOGGS of Delaware. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Delaware [Mr. Boggs]?

There was no objection.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. BOGGS of Delaware. Mr. Speaker, many of my friends and distinguished colleagues, the gentleman from New York [Mr. KEATING], the gentleman from Wisconsin [Mr. DAVIS], along with many other able Members of this House are certainly working for the prompt repayment of the excess premiums paid on national service life insurance by our veterans.

I want to urge the prompt repayment of these excess premiums, and I want to join with the other members who are working so hard to return to the veterans something which is theirs and which they have every right to have at this time.

We hear a great deal about this recession and the fact that it will be only of short duration. If this is so, then it is all the more appropriate that these repayments should be made without delay. I have looked over the situation and I cannot find any plausible explanation for this continuing delay after delay.

The SPEAKER. The time of the gentleman from Delaware [Mr. Boggs] has expired.

SUBCOMMITTEE ON HEALTH SCIENCE AND COMMERCE OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health, Science, and Commerce of the Committee on Interstate and Foreign Commerce may be allowed to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

REPAYMENT OF EXCESS PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

Mr. RANKIN. Mr. Speaker, again we have heard the gentleman from New York [Mr. KEATING] attacking the Veterans' Administration for doing its duty.

I explained yesterday what the Assistant Administrator told us about it. If the gentleman from New York [Mr. KEATING] can do this work overnight, I suggest that he take his office force and go down to the Veterans' Administration and do it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RICH. If the gentleman from New York [Mr. KEATING] takes his office force and I take mine and we go down there we could do something and get those checks out.

Mr. RANKIN. Yes; and you will be there till Christmas. They have employed 1,700 extra people to work out these accounts. They will need 1,300 more. They are going to get them out

by the first of the year, but to get up here and pretend that this is a political question is nonsense. Nobody ever heard of its being a political question until the gentleman from New York [Mr. KEATING] announced that it was a political question.

How much politics has he played?

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

CALL OF THE HOUSE

Mr. MCGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. CHELF. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Allen, Calif.	Hart	Polk
Breen	Hinshaw	Poulson
Buckley, N. Y.	Hoffman, Ill.	Powell
Bulwinkle	Hoffman, Mich.	Rivers
Case, S. Dak.	Hollifield	Roosevelt
Cavalcante	Irving	Scott,
Clevenger	Jackson, Calif.	Hugh D., Jr.
Cole, N. Y.	Kearney	Shafer
Combs	Kee	Short
Crawford	Larcade	Taber
Crosser	Lichtenwalter	Thomas, N. J.
Cunningham	Lodge	Towe
Doyle	McMillen, Ill.	Walsh
Durham	Macy	Werdel
Elston	Miller, Nebr.	Whitaker
Gilmer	Morrison	White, Idaho
Granger	Murphy	Withrow
Hall,	Passman	
Edwin Arthur Pfeifer,		
Hall,	Joseph L.	
Leonard W.	Plumley	

The SPEAKER. On this roll call, 375 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

THIRD DEFICIENCY APPROPRIATION BILL

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 5300, Rept. No. 879), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1949, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. WIGGLESWORTH reserved all points of order on the bill.

REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, with Senate amendments, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, HOLIFIELD, BURNSIDE, RIEHLMAN, and HARDY.

TREASURY-POST OFFICE APPROPRIATION BILL, 1950

Mr. GARY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3083) making appropriations for the Treasury and Post Office Departments and funds available for Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes, with Senate amendments, further disagree to the amendments of the Senate and agree to a further conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. GARY, FERNANDEZ, PASSMAN, CANNON, CANFIELD, and COUDERT.

LEE F. BERTUCCIOLI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 750) for the relief of Lee F. Bertuccioli, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the first category of section 3 of the Immigration Act of 1917, as amended, shall not hereafter be applicable to Lee F. Bertuccioli, Farnborough, Kent, England, who served in the armed forces of the United States in World War II under the name of Lee F. Johnson, and who, because of a physical disability arising out of such service, is unable to obtain an immigration visa for admission into the United States."

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CELESTE IRIS MAEDA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3458) for the relief of Celeste Iris Maeda, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Celeste Iris Maeda, the Japanese fiancée of Stanley Arasim, Jr., an honorably discharged veteran of World War II, and that Celeste Iris Maeda may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Celeste Iris Maeda is coming to the United States with a bona fide intention of being married to said Stanley Arasim, Jr., and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Celeste Iris Maeda, she shall be required to depart from the United States and upon failure to do so shall be deported in ac-

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

JUNE 28, 1949.—Ordered to turn over to record

Mr. DAWSON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 4754]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

That this Act may be cited as the "Federal Property and Administrative Services Act of 1949".

TABLE OF CONTENTS

Sec. 2. Declaration of policy.
Sec. 3. Definitions.

TITLE I—ORGANIZATION

Sec. 101. General Services Administration.
Sec. 102. Transfer of affairs of Bureau of Federal Supply.
Sec. 103. Transfer of affairs of the Federal Works Agency.
Sec. 104. Records management: Transfer of the National Archives.
Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.
Sec. 106. Redistribution of functions.
Sec. 107. Transfer of funds.
Sec. 108. Status of transferred employees.
Sec. 109. General supply fund.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.*
- Sec. 202. Property utilization.*
- Sec. 203. Disposal of surplus property.*
- Sec. 204. Proceeds from transfer and disposition of property.*
- Sec. 205. Policies, regulations, and delegations.*
- Sec. 206. Surveys, standardization, and cataloging.*
- Sec. 207. Applicability of antitrust laws.*
- Sec. 208. Employment of personnel.*
- Sec. 209. Civil remedies and penalties.*
- Sec. 210. Reports to Congress.*

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.*
- Sec. 302. Application and procurement methods.*
- Sec. 303. Advertising requirements.*
- Sec. 304. Requirements of negotiated contracts.*
- Sec. 305. Advance payments.*
- Sec. 306. Waiver of liquidated damages.*
- Sec. 307. Administrative determinations and delegations.*
- Sec. 308. Statutes continued in effect.*
- Sec. 309. Definitions.*
- Sec. 310. Statutes not applicable.*

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.*
- Sec. 402. Methods and terms of disposal.*
- Sec. 403. Proceeds; foreign currencies.*
- Sec. 404. Miscellaneous provisions.*

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.*
- Sec. 502. Repeal and saving provisions.*
- Sec. 503. Authorization for appropriations.*
- Sec. 504. Separability.*
- Sec. 505. Effective date.*

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

(c) The term "Administrator" means the Administrator of General Services provided for in title I hereof.

(d) The term "property" means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term "excess property" means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

(f) The term "foreign excess property" means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(g) The term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

(h) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

(i) The term "person" includes any corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "nonpersonal services" means such contractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term "contractor inventory" means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

TITLE I—ORGANIZATION

GENERAL SERVICES ADMINISTRATION

SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate and such officer while so serving shall receive the salary fixed for the Administrator.

(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

SEC. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together

with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS
ADMINISTRATION

SEC. 105. *The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.*

REDISTRIBUTION OF FUNCTIONS

SEC. 106. *The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.*

TRANSFER OF FUNDS

SEC. 107. (a) *All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.*

(b) *When other functions are transferred to the General Services Administration from any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.*

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. *Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.*

GENERAL SUPPLY FUND

SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than \$75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: Provided, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General

Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: Provided, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): Provided, That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) *The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.*

(c) *In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: Provided, That any transaction carried out under the authority of this subsection shall be evidenced in writing.*

PROPERTY UTILIZATION

SEC. 202. (a) *In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.*

(b) *Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.*

(c) *Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.*

(d) *Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.*

(e) *Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator, unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.*

(f) *The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.*

(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator for such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, structures, and equipment situated thereon, as is recommended by the

Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) *Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.*

(B) *Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.*

(C) *In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.*

(D) *"States" as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.*

(2) *Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—*

(A) *The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;*

(B) *the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);*

(C) *the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park,*

public recreational area, or historic monument for the benefit of the public; or

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,
is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: Provided, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(l) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto rested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: Provided, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall

deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Any executive agency entitled to receive cash under any contract covering the lease, sale or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

POLICIES, REGULATIONS, AND DELEGATIONS

SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each

executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this Act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

SURVEYS, STANDARDIZATION AND CATALOGING

SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: Provided, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Adminis-

tration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

APPLICABILITY OF ANTITRUST LAWS

SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed sixty days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including

stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

(e) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

CIVIL REMEDIES AND PENALTIES

SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act.

TITLE III—PROCUREMENT PROCEDURE

DECLARATION OF PURPOSE

SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

APPLICATION AND PROCUREMENT METHODS

SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

(1) by the General Services Administration for the use of such agency or otherwise; and

(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection.

The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

(2) the public exigency will not admit of the delay incident to advertising;

(3) the aggregate amount involved does not exceed \$1,000: Provided, That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in

excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any university, college, or other educational institution;

(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: Provided, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: Provided, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

(14) otherwise authorized by law.

(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract

is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: Provided, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 per centum of the total estimated cost of the prime

contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

ADVANCE PAYMENTS

SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: Provided, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (e) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (e) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (e), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such deter-

mination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term "agency head" shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

(b) The term "supplies" shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5);

Revised Statutes, section 3735 (41 U. S. C. 13);

Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: Provided, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act

in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, "Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

METHODS AND TERMS OF DISPOSAL

SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property, and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

PROCEEDS, FOREIGN CURRENCIES

SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: Provided, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: And provided further,

That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

TITLE V—GENERAL PROVISIONS

APPLICABILITY OF EXISTING PROCEDURES

SEC. 501. All policies, procedures, and directives prescribed—

(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this Act;

(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act,

in effect upon the effective date of this Act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) *There are hereby repealed—*

(1) *the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: Provided, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;*

(2) *that portion of the Act entitled "An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption "Surplus property disposal";*

(3) *the Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);*

(4) *the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);*

(5) *section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);*

(6) *the first and second provisos contained in the fifth paragraph under the heading "Division of Supply" in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);*

(7) *the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress);*

(8) *section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);*

(9) *the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);*

(10) *the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";*

(11) *the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);*

(12) *the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);*

(13) *the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);*

(14) *the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);*

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

(17) the fifth paragraph under the heading "Office of the Chief Signal Officer" of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

(18) the third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

(19) the fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

(20) the second paragraph under the heading "Government hospital for the insane" of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

(21) the second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7e-1).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

(d) *Nothing in this Act shall impair or affect any authority of—*

(1) *the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);*

(2) *any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: Provided, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;*

(3) *any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;*

(4) *the National Military Establishment with respect to property required for or located in occupied territories;*

(5) *the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;*

(6) *the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;*

(7) *the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;*

(8) *the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940 (54 Stat. 712);*

(9) *the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);*

(10) *the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;*

(11) *the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;*

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: Provided, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: Provided, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

(17) Central Intelligence Agency;

(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: Provided, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out "\$100" wherever it appears therein and inserting in lieu thereof "\$500".

AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

SEC. 503. (a) *There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.*

(b) *When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.*

SEPARABILITY

SEC. 504. *If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.*

EFFECTIVE DATE

SEC. 505. *This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949.*

And the Senate agree to same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,

Managers on the Part of the House.

JOHN L. McCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
JOE McCARTHY,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DESIGNATION OF NAME

The conference substitute provides that the new agency shall be known as the "General Services Administration," as provided in the House bill, rather than as the "General Services Agency," as provided in the Senate amendment. It is desired that the term "Administration" come to be applied only to independent agencies, that do not have Cabinet status, as in the case of the departments, and that are not primarily regulatory bodies as is the case with commissions. This change is effected in harmony with the recognition of the long over-due realinement of elements within the generic governmental term "agency." It is the beginning of proper, and more fittingly descriptive nomenclature, in governmental fields.

APPLICABILITY TO SENATE AND HOUSE

Under the House bill the Senate and House of Representatives were included in the definition of "Federal agency" in section 3 (b). The Senate amendment contained provision excluding the Senate and the House of Representatives from the definition and specifying both Houses of Congress, among the bodies for which the Administrator is to provide procurement and related services, only upon request, as set out under section 201 (b). The substitute adopts the Senate language. Thus the autonomy of the Congress is preserved, except insofar as it shall, upon its request, desire to be included in the procurement and related services.

DESIGNATION OF TEMPORARY ADMINISTRATOR

The House bill provides (sec. 101 (d)) that pending the first appointment of an Administrator of General Services, the President may designate the Federal Works Administrator in office immediately prior to the effective date of the act to serve temporarily as Adminis-

trator and receive the compensation of the General Services Administrator. The Senate amendment provides that the functions of the Administrator shall be performed temporarily by such officer of the Government in office upon, or immediately prior to the effective date of the act as the President shall designate. The substitute adopts the Senate language with the addition of the House provision for compensation, so that in case the incumbent of an abolished office is designated, he will be entitled to receive compensation during the period of his temporary service.

COMPENSATION OF ADMINISTRATOR AND OTHER OFFICERS

Under the House bill (sec. 109) the President is authorized to fix the compensation of the Administrator, the Deputy Administrator, and other named officers, pending the effective date of other provisions of law fixing such compensation, and with regard to existing provisions of law governing such compensation at a rate commensurate with the responsibilities and duties of the respective offices.

The Senate amendment (sec. 101 (c)) authorizes the President to fix the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units of the General Services Administration at such rates, not in excess of \$15,000 per annum, as he shall deem to be commensurate with responsibilities and duties of the offices. The substitute (sec. 101 (c)) contains compromise language providing that pending the effective date of other provisions of law fixing the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units, and taking into consideration provisions of law providing the compensation of offices having comparable responsibilities and duties, the President shall fix rates of compensation for each of them which he deems commensurate with the responsibilities and duties of the several offices. Thus the broader application of the Senate provision (to heads and assistant heads of constituent units) is adopted, but the House recognition of the pendency of other salary legislation is retained and a new element requiring consideration of salaries paid to comparable officers is introduced in lieu of the House reference to provisions of existing law governing compensation of the officers named. It should be noted that under other provisions of the substitute discussed in the following paragraph certain of the offices named in the original House provision are abolished.

DISPOSITION OF THE BUREAU OF FEDERAL SUPPLY

The House bill (sec. 102 (a)) transfers the Bureau of Federal Supply, and its functions, records, property, personnel obligations and commitments from the Department of the Treasury to the General Services Administration, also providing for a Commissioner of Federal Supply to be the head of the Bureau of Federal Supply. The Senate amendment transfers the functions, records, personnel, etc., of the Bureau of Federal Supply to the General Services Administrator and abolishes that Bureau and the office of the Director. The substitute follows the Senate amendment in that it provides for the abolition of the Bureau and the office of the Director, but the language has been revised so that functions are transferred to the Administrator, and records, property,

personnel obligations and commitments are transferred to the Administration. This framework is in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government.

FEDERAL WORKS

The House bill would have transferred to the General Services Administration the Public Buildings and Roads Administrations and all other functions of the Federal Works Agency, and merely abolished the Federal Works Agency and the Offices of the Administrator and Assistant Administrator thereof. The Senate amendment would have transferred Public Roads and abolished not only the Federal Works Agency but also the Public Buildings Administration, and the office of the Commissioner thereof. The conference substitute follows the Senate amendment substantially, though in slightly different language, and, also, transfers the functions of the Commissioner of Public Roads to the Administrator of General Services. The substitute thus conforms to the strong recommendations of the Commission on Government Organization for an integrated organization with all statutory authority and responsibility vested in the head of the organization. For the same reasons the conference substitute has omitted the prior language preserving the Bureau of Community Facilities. Further, the substitute changes the name of Public Roads Administration to Bureau of Public Roads as another step toward standard governmental nomenclature.

ARCHIVES

The House text would have exempted from transfer to the Administrator the functions of the Archivist of the United States, under the act of July 7, 1943, respecting the destruction of certain historical records. The Senate amendment struck out this exemption. The House conferees, accepted the Senate version because it conforms to the recommendations of the Commission on Organization that all authority and responsibility be lodged in the head of the agency. For the same reasons, the conferees adopted the House language which transfers to the General Services Administration, the custody of certain Federal funds now held by several bodies connected with the National Archives Establishment, and likewise also transferred to the General Services Administration under both the Senate and House texts.

RECORDS MANAGEMENT

The Senate amendment added as section 104 (c) a new provision authorizing the Administrator (1) to survey and obtain reports on Government records management, (2) to promote improved records-management practices in the Government, including central storage and disposal, and (3) to report to the Congress on such activities. The conference substitute adopts the Senate provision as being a good start towards the improvement of Government records management as recommended by the Commission on Organization of the Executive Branch of the Government.

In connection with internal regrouping and redistribution of functions by the Administrator, the Senate amendment required the

approval of the Director of the Bureau of the Budget to the necessary accompanying transfers of funds. It was felt that the authority in this field should not be divided. The conferees, therefore, agreed upon the House text, which authorizes the Administrator to make such transfers of funds and merely requires him to appropriately report such transfers to the Budget Director.

GENERAL SUPPLY FUND

The Senate amendment with respect to the General Supply Fund (see. 109) establishes a new General Supply Fund and transfers to the Administrator the assets of the present General Supply Fund. The new fund is made available for the procurement of personal property and nonpersonal services for executive agencies. Beginning July 1, 1950, only direct costs of procurement, handling, and distribution are to be paid from the fund and prices fixed by the Administrator are not to include indirect or overhead costs. Until July 1, 1950, prices are to be fixed as now authorized. Provision is made for advance payment by requisitioning agencies; otherwise, payment is to be made on vouchers in the usual manner, with the transfer and counter warrant method authorized when payment has not been made within 45 days after billing. The fund is a reimbursable fund, and the establishment of a special deposit account for use by disbursing officers is authorized. Upon the annual audit of the fund by the Comptroller General, any surplus found therein (all assets, liabilities, and prior losses considered) above the authorized capital goes to miscellaneous receipts. The Comptroller General is to report the results of each annual audit to the Congress, with any recommendations as to the status and operation of the fund. The fund may be used for the procurement of supplies and nonpersonal services requested by mixed-ownership Government corporations, the District of Columbia and certain non-Federal agencies, but in such cases, the prices charged are to include the estimated indirect as well as direct costs.

The Senate amendment provided that the fund should not be greater than \$100,000,000. With one change to reduce this figure to \$75,000,000, the Senate amendment was accepted in lieu of section 210 (e) of the House bill, which merely amended the present authority by providing that prices charged for supplies or nonpersonal services furnished through the General Supply Fund should be fixed in amounts estimated to represent two items of cost, i. e., purchase price and transportation. It is felt that the Senate amendment reconstituting the existing fund makes possible the simplification of certain procedures and is more desirable.

TRANSPORTATION AND TRAFFIC MANAGEMENT

The Senate conferees receded from the Senate amendment which deleted references to transportation and traffic management in section 201 (a) and which in section 502 (b) provided for the continuance of transportation and traffic management functions under Executive Order 6166. The provision of section 201 (a) of the House bill with respect to transportation and traffic management are in accordance with the Recommendations of the Commission on Organization of the Executive Branch of the Government and provide clear authority on this subject.

(g) Section 14 is amended by inserting the following after the first sentence: "When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore, or hereafter made for annual contributions, loans, or both, may, with Presidential approval, be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided*, That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged.";

(h) Section 20 is amended to read as follows:

"SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed \$1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.";

(i) Subsection 2 (5) is amended to read as follows:

"(5) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term 'development cost' shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings."; and

(j) The following additional subsection is added to section 15:

"(9) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project."

ANNUAL CONTRIBUTIONS

SEC. 205. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By inserting the following after the first sentence of subsection (e) of section 10: "With respect to projects assisted pursuant to this act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than \$85,000,000 per annum, which limit shall be increased by further amounts of \$80,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by \$75,000,000 on July 1, 1953: *Provided*, That (subject to the total additional authorization of not more than \$400,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional amount of \$80,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That 10 percent of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of 3 years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed 150,000 dwelling units after July 1, 1949, which limit shall be increased by further amounts of 150,000 dwelling units on July 1 in each of the years 1950 through and including 1955, respectively: *Provided*, That (subject to the authorization of not to exceed 1,050,000 dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by not to exceed in any fiscal year an additional 100,000 dwelling units, or may be decreased at any time or times by not to exceed in any fiscal year 100,000 dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further*, That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the development of more than 1,050,000 dwelling units without further authorization from the Congress."; and

(b) By deleting the third sentence of subsection 10 (a) and adding the following new subsection to section 10:

"(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract may authorize the public housing agency to make payments in lieu of such taxes in an annual amount not in excess of 10 percent of the annual shelter rents charged in such project; *Provided*, That, with respect to any such project to be located in any State where, by reason of constitutional limitations or otherwise, such project is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision, such contract may provide, in lieu of the require-

ment for tax exemption that no annual contributions by the authority shall be made available for such project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash, at least 20 percent of the annual contributions paid by the authority. In respect to low-rent housing projects initiated prior to March 1, 1949, the authority may, after the effective date of the Housing Act of 1949, authorize payments in lieu of taxes for each of the project fiscal years in respect to which annual contributions were payable during the 2-year period ending June 30, 1949, in amounts which, together with amounts already paid, will not exceed the greater of either (i) 5 percent of the shelter rents charged in such projects for each of such project fiscal years, or (ii) the amounts specified in the cooperation agreements in effect July 1, 1947, between the public housing agencies and the political subdivisions in which the projects are located, or in the ordinances or resolutions of such political subdivisions in effect on such date. In respect to such low-rent housing projects initiated prior to March 1, 1949, the contracts for annual contributions may be amended as to project fiscal years in respect to which annual contributions are payable on or after July 1, 1949, so as to require exemption from real and personal property taxes in lieu of any other requirements as to local contributions and to permit payments in lieu of taxes on the terms prescribed in the first sentence of this subsection; in the event that the contracts for annual contributions are not so amended, payments in lieu of taxes in respect to such project fiscal years shall be limited to the amount specified in the cooperation agreements or ordinances or resolutions in effect July 1, 1947."

SPECIAL PROVISIONS FOR LARGE FAMILIES OF LOW INCOME

SEC. 206. In order to enable low-rent housing to better serve the needs of large families of low income, the United States Housing Act of 1937, as amended, is hereby amended by deleting the second sentence of subsection 2 (1) and substituting therefor the following: "The dwellings in low-rent housing as defined in this act shall be available solely for families whose net annual income at the time of admission, less an exemption of \$100 for each minor member of the family other than the head of the family and his spouse, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net income of any family, an exemption for each minor member of the family (other than the head of the family and his spouse) of either (a) \$100, or (b) all or any part of the annual income of such minor. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

TECHNICAL AMENDMENTS

SEC. 207. The United States Housing Act of 1937, as amended, is hereby amended as follows:

(a) By deleting from section 1 the words "rural or urban communities" and by substituting therefor the words "urban and rural nonfarm areas";

(b) (1) By adding at the end of subsection 2 (11) the following new sentence: "The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency."; and

(2) By adding the following new subsection to section 2:

"(15) The term 'initiated' when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.";

(c) By adding to section 6 the following new subsection:

"(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said act made by the Housing Act of 1949 or by any other law thereafter enacted.";

(d) By deleting the proviso in subsection 10 (a) and the proviso in subsection 11 (a), and in each case changing the colon preceding the word "Provided" to a period;

(e) By amending the second sentence of subsection 13 (a) to read as follows: "The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this act governing their administration and disposition.";

(f) By amending subsection 16 (2) by inserting after the words "contain a provision requiring that" the words "not less than";

(g) By amending subsection 21 (d) to read as follows:

"(d) Not more than 10 per centum of the total annual amount of \$428,000,000 provided in this act for annual contributions, nor more than 10 per centum of the amounts provided for in this act for grants, shall be expended within any one State.";

(h) By renumbering sections 22 to 30, inclusive, so that they become sections 23 to 31, inclusive.

Mr. SPENCE (interrupting the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read and open to amendment and subject to points of order at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, was there a vote taken on the Spence amendment?

The CHAIRMAN. There was, and the amendment was adopted.

(Mr. KEATING and Mr. JAVITS asked and were given permission to revise and extend their remarks.)

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs of Louisiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4009, had come to no resolution thereon.

WHY WORRY?

Mr. HOFFMAN of Michigan. Mr. Speaker, my colleagues on various occasions have heard me confess that at

times I was somewhat confused by some of the plans and theories urged upon us by well-meaning constituents or by others with a hobby, but we are not alone in being troubled. Recently there came a letter from which I quote as follows: .

I received a letter last week that startled me * * * this friend has a son in the Texas Agricultural College—she's very proud of him because he's won cups and such for the college—then she writes about her son's conversation with one of his professors. He tells me that a friend of his among the professors, who got a Nobel prize, tells him that these X-ray foot machines used to fit shoes scientifically will sterilize any child that has them used on it a number of times—the ray is so powerful going through the shoe and all that it travels up and does the damage. Also he says that within 2 years we will not have this bleached flour as the Government has notified the mills they will be given a time to convert over to another process as the present method causes much physical harm—and he says (meaning her son) that this is authentic although not widely known. Also he says one reducing method widely used is taking capsules (the taker not knowing what he is taking) and the capsules contain eggs of the tapeworm. When they hatch and get to work the person gets emaciated in a short time, and then the tape worms are difficult to get rid of—if the patient ever has a doctor who finds out what the real trouble is. Can you beat that?

Tapeworms—well, some of the women had heard of this reducing method. I had not and so was really shocked that there are people who will destroy others to make a dollar. I wonder what the name of this manufactured "remedy" is. Do you know anything about this?

I'd heard of the nice white flour sent to Japan after the war and how sick the Japanese got eating bread made from it. Of course, we Americans have become immunized against aluminum and the white flour we buy and other health destroyers, but it goes hard with people whose bodies have not built up a resistance against these "foods" we eat. I suppose the reason for us now getting good flour is that by all means we must raise healthy sons and daughters for military purposes. I can't figure out any other reason for Government officials getting so alarmed over the health of the common people. I suppose I am an old cat to have this thought, but that's the thought that came to my mind when I read we shall have better bread.

But to sterilize our children with X-ray—I'd heard of this before. This machine is used on children right here. I heard that four such contacts with the machine will sterilize some children. What runs through my mind is this—if (I shall find out if these machines are so dangerous and I am writing some letters of inquiry)—so if such a foot machine sterilizes the sex organs, just what does it also do to our children's stomachs, livers, intestines, gall bladders, kidneys, hearts, lungs, nervous systems, etc.

The writer of this letter, like me, a Congressman, is worried over dangers real and dangers unreal, but threatened or imagined. However, she comes up with a solution to the whole situation, for she concludes her letter by writing:

If we ruin our youngsters who trust us, then, by gosh, we won't have to worry over any tax money—nor will they have to face that problem either—and have, maybe just the "death" part of "Death and taxes we always have with us."

Personally, I am not too greatly worried over these anticipated dangers, for

I think that, even though we get the flour, the tapeworms, and the X-ray foot machine, we, our children, and our children's children who still have, if I may use the expression, guts enough to work our way out of any depression which New Deal fallacious policy, waste, and extravagance, yes, and for good measure I might throw in the efforts of the Communists—may get us into.

HOURLY MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TO SIMPLIFY PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY AND REORGANIZATION OF CERTAIN AGENCIES OF THE GOVERNMENT

Mr. DAWSON, from the Committee on Expenditures in the Executive Departments, submitted the following conference report and statement on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT (H. REPT. No. 935)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SHORT TITLE

"That this Act may be cited as the 'Federal Property and Administrative Services Act of 1949'.

"TABLE OF CONTENTS

"Sec. 2. Declaration of policy.

"Sec. 3. Definitions.

"Title I—Organization

"Sec. 101. General Services Administration.

"Sec. 102. Transfer of affairs of Bureau of Federal Supply.

"Sec. 103. Transfer of affairs of the Federal Works Agency.

"Sec. 104. Records management: Transfer of the National Archives.

"Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

"Sec. 106. Redistribution of functions.

"Sec. 107. Transfer of funds.

"Sec. 108. Status of transferred employees.

"Sec. 109. General supply fund.

"Title II—Property management

"Sec. 201. Procurement, warehousing, and related activities.

"Sec. 202. Property utilization.

"Sec. 203. Disposal of surplus property.

"Sec. 204. Proceeds from transfer and disposition of property.

"Sec. 205. Policies, regulations, and delegations.

- "Sec. 206. Surveys, standardization, and cataloging.
- "Sec. 207. Applicability of antitrust laws.
- "Sec. 208. Employment of personnel.
- "Sec. 209. Civil remedies and penalties.
- "Sec. 210. Reports to Congress.

"Title III—Procurement procedure

- "Sec. 301. Declaration of purpose.
- "Sec. 302. Application and procurement methods.
- "Sec. 303. Advertising requirements.
- "Sec. 304. Requirements of negotiated contracts.
- "Sec. 305. Advance payments.
- "Sec. 306. Waiver of liquidated damages.
- "Sec. 307. Administrative determinations and delegations.
- "Sec. 308. Statutes continued in effect.
- "Sec. 309. Definitions.
- "Sec. 310. Statutes not applicable.

"Title IV—Foreign excess property

- "Sec. 401. Disposal of foreign excess property.
- "Sec. 402. Methods and terms of disposal.
- "Sec. 403. Proceeds; foreign currencies.
- "Sec. 404. Miscellaneous provisions.

"Title V—General provisions

- "Sec. 501. Applicability of existing procedures.
- "Sec. 502. Repeal and saving provisions.
- "Sec. 503. Authorization for appropriations.
- "Sec. 504. Separability.
- "Sec. 505. Effective date.

"DECLARATION OF POLICY

"SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(a) The term 'executive agency' means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

"(b) The term 'Federal agency' means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

"(c) The term 'Administrator' means the Administrator of General Services provided for in title I hereof.

"(d) The term 'property' means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

"(e) The term 'excess property' means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

"(f) The term 'foreign excess property' means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

"(g) The term 'surplus property' means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

"(h) The term 'care and handling' includes completing, repairing, converting, rehabilitating, operating, preserving, protect-

ing, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

"(i) The term 'person' includes any corporation, partnership, firm, association, trust, estate, or other entity.

"(j) The term 'nonpersonal services' means such contractual services, other than personal and professional services, as the Administrator shall designate.

"(k) The term 'contractor inventory' means (1) any property acquired by and in the possession of a contractor or subcontractor under a contractor pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

"TITLE I—ORGANIZATION

"GENERAL SERVICES ADMINISTRATION

"SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

"(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

"(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

"(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate, and such officer while so serving shall receive the salary fixed for the Administrator.

"(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

"TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

"SEC. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director

of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

"(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

"(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

"TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

"SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

"(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

"RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

"SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment.

The Archivist of the United States shall hereafter be appointed by the Administrator.

"(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

"(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

"TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS ADMINISTRATION

"SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

"REDISTRIBUTION OF FUNCTIONS

"SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfer of funds to the Director of the Bureau of the Budget.

"TRANSFER OF FUNDS

"SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

"(b) When other functions are transferred to the General Services Administration from

any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

"STATUS OF TRANSFERRED EMPLOYEES

"SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

"GENERAL SUPPLY FUND

"SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than \$75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blank-book work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

"(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

"(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the

fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

"(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

"(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

"(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: *Provided*, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

"TITLE II—PROPERTY MANAGEMENT

"PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

"SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

"(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

"(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

"(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided*, That contracts for public utility services may be made for periods not exceeding ten years; and

"(4) with respect to transportation and other public utility services for the use of

executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

"Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

"(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

"(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part, payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

"PROPERTY UTILIZATION

"SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

"(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

"(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

"(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

"(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

"(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

"(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

"(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

"DISPOSAL OF SURPLUS PROPERTY

"SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this act.

"(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

"(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

"(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

"(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

"(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

"(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

"(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of

Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

"(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

"(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

"(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

"(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

"(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

"(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator

of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

"(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

"(D) 'States' as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

"(2) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

"(A) The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

"(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

"(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

"(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

"is authorized and directed—

"(1) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

"(11) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where

necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(111) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

"(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

"PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

"SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

"(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term 'net proceeds of the disposition or transfer' means the proceeds of the disposition of transfer minus all expenses incurred for care and handling and disposition or transfer.

"(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

"(e) Any executive agency entitled to receive cash under any contract covering the lease, sale, or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

"(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

"POLICIES, REGULATIONS, AND DELEGATIONS

"SEC. 205. (a)* The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

"(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

"(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

"(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

"(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

"(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry

out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

"(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this Act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

"(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title.

"SURVEYS, STANDARDIZATION AND CATALOGING

"SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

"(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

"(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

"APPLICABILITY OF ANTITRUST LAWS

"SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed sixty days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would

tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

"EMPLOYMENT OF PERSONNEL

"SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

"(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

"(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

"CIVIL REMEDIES AND PENALTIES

"SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

"(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

"(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

"(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

"(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

"(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

"(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

"REPORTS TO CONGRESS

"SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act.

"TITLE III—PROCUREMENT PROCEDURE

"DECLARATION OF PURPOSE

"SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

"APPLICATION AND PROCUREMENT METHODS

"SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

"(1) by the General Services Administration for the use of such agency or otherwise; and

"(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection. The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

"(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

"(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

"(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

"(2) the public exigency will not admit of the delay incident to advertising;

"(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

"(4) for personal or professional services;

"(5) for any service to be rendered by any university, college, or other educational institution;

"(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

"(7) for medicines or medical supplies;

"(8) for supplies purchased for authorized resale;

"(9) for supplies or services for which it is impracticable to secure competition;

"(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

"(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

"(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

"(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

"(14) otherwise authorized by law.

"(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

"(e) This section shall not be construed to (A) authorize the erection, repair, or fur-

nishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

"ADVERTISING REQUIREMENTS

"SEC. 303. Whenever advertising is required—

"(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

"(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

"REQUIREMENTS OF NEGOTIATED CONTRACTS

"SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

"(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procur-

ing agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 per centum of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

"ADVANCE PAYMENTS

"SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

"(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

"WAIVER OF LIQUIDATED DAMAGES

"SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

"ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

"SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

"(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

"(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

"(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

"STATUTES CONTINUED IN EFFECT

"SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

"DEFINITIONS

"SEC. 309. As used in this title—

"(a) The term 'agency head' shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

"(b) The term 'supplies' shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except in the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

"STATUTES NOT APPLICABLE

"SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

"Revised Statutes, section 3709, as amended (41 U. S. C. 5);

"Revised Statutes, section 3735 (41 U. S. C. 13);

"Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

"TITLE IV—FOREIGN EXCESS PROPERTY

"DISPOSAL OF FOREIGN EXCESS PROPERTY

"SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

"METHODS AND TERMS OF DISPOSAL

"SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

"PROCEEDS, FOREIGN CURRENCIES

"SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

"MISCELLANEOUS PROVISIONS

"SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

"(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

"(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to

the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

"(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

"(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

"TITLE V—GENERAL PROVISIONS

"APPLICABILITY OF EXISTING PROCEDURES

"SEC. 501. All policies, procedures, and directives prescribed—

"(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this Act;

"(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

"(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

"(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act,

in effect upon the effective date of this Act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND HOUSING PROVISIONS

"SEC. 502. (a) There are hereby repealed—

"(1) the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

"(2) that portion of the Act entitled 'An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes', approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption 'Surplus property disposal';

"(3) the Act entitled 'An Act to authorize the Secretary of War to dispose of material no longer needed by the Army', approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

"(4) the Act entitled 'An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy', approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

"(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

"(6) the first and second provisos contained in the fifth paragraph under the heading 'Division of Supply' in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

"(7) the Act entitled 'An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force

to donate excess and surplus property for educational purposes', approved July 2, 1948 (Public Law 889, Eightieth Congress);

"(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

"(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

"(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed 'Contingent expenses, Department of Agriculture';

"(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

"(12) the twenty-sixth paragraph under the heading 'National Parks' of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

"(13) the fifth paragraph under the heading 'Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States' of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

"(14) the proviso contained in the second paragraph under the heading 'Library, Department of Agriculture' of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

"(15) the second proviso contained in the second paragraph under the heading 'Clothing and camp and garrison equipage' of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

"(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

"(17) the fifth paragraph under the heading 'Office of the Chief Signal Officer' of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

"(18) the third proviso contained in the second paragraph under the heading 'Office of the Chief Signal Officer' of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

"(19) the fourteenth paragraph under the heading 'Smithsonian Institution' of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

"(20) the second paragraph under the heading 'Government hospital for the insane' of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

"(21) the second paragraph under the heading 'Saint Elizabeths Hospital' of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

"(22) the proviso contained in the second paragraph under the heading 'Bureau of Supplies and Accounts' of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

"(23) the second proviso of the first paragraph under the heading 'Bureau of Yards and Docks' of the Act of August 29, 1916 (34 U. S. C. 532);

"(24) the proviso contained in the second paragraph under the heading 'Maintenance, Quartermaster's Department, Marine Corps' of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

"(25) the twentieth paragraph under the heading 'Bureau of Mines' of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

"(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

"(27) the third paragraph under the heading 'Interstate Commerce Commission' of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

"(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

"(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

"(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

"(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1)."

"(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive

Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

"(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

"(d) Nothing in this Act shall impair or affect any authority of—

"(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

"(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price supports, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;

"(4) the National Military Establishment with respect to property required for or located in occupied territories;

"(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

"(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;

"(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

"(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled 'An Act to expedite the strengthening of the national defense', approved July 2, 1940 (54 Stat. 712);

"(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

"(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

"(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for

or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

"(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

"(13) the Atomic Energy Commission;

"(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms 'airport property' and 'airway property' shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

"(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

"(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

"(17) Central Intelligence Agency;

"(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

"(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

"(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out '\$100' wherever it appears therein and inserting in lieu thereof '\$500'.

"AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

"Sec. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and han-

ding pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.

"SEPARABILITY"

"SEC. 504. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"EFFECTIVE DATE"

"SEC. 505. This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949."

And the Senate agree to same.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,

Managers on the Part of the House.

JOHN L. MCCLELLAN,
JAMES O. EASTLAND,
CLYDE R. HOEY,
JOE MCCARTHY,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the House bill and the Senate amendment. Except for clarifying, clerical and necessary conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

DESIGNATION OF NAME

The conference substitute provides that the new agency shall be known as the "General Services Administration," as provided in the House bill, rather than as the "General Services Agency," as provided in the Senate amendment. It is desired that the term "Administration" come to be applied only to independent agencies, that do not have Cabinet status, as in the case of the departments, and that are not primarily regulatory bodies as is the case with commissions. This change is effected in harmony with the recognition of the long over-due realignment of elements within the generic governmental term "agency." It is the beginning of proper, and more fittingly descriptive nomenclature, in governmental fields.

APPLICABILITY TO SENATE AND HOUSE

Under the House bill the Senate and House of Representatives were included in the definition of "Federal agency" in section 3 (b). The Senate amendment contained provision excluding the Senate and the House of Representatives from the definition and specifying both Houses of Congress, among the bodies for which the Administrator is to provide procurement and related services, only upon request, as set out under section 201 (b). The substitute adopts the Senate language. Thus the autonomy of the Congress is preserved, except insofar as it shall, upon its request, desire to be included in the procurement and related services.

DESIGNATION OF TEMPORARY ADMINISTRATOR

The House bill provides (sec. 101 (d)) that pending the first appointment of an Administrator of General Services, the President may designate the Federal Works Administrator in office immediately prior to the effective date of the act to serve temporarily as Administrator and receive the compensation of the General Services Administrator. The Senate amendment provides that the functions of the Administrator shall be performed temporarily by such officer of the Government in office upon, or immediately prior to the effective date of the act as the President shall designate. The substitute adopts the Senate language with the addition of the House provision for compensation, so that in case the incumbent of an abolished office is designated, he will be entitled to receive compensation during the period of his temporary service.

COMPENSATION OF ADMINISTRATOR AND OTHER OFFICERS

Under the House bill (sec. 109) the President is authorized to fix the compensation of the Administrator, the Deputy Administrator, and other named officers, pending the effective date of other provisions of law fixing such compensation, and with regard to existing provisions of law governing such compensation at a rate commensurate with the responsibilities and duties of the respective offices.

The Senate amendment (sec. 101 (e)) authorizes the President to fix the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units of the General Services Administration at such rates, not in excess of \$15,000 per annum, as he shall deem to be commensurate with responsibilities and duties of the offices. The substitute (sec. 101 (e)) contains compromise language providing that pending the effective date of other provisions of law fixing the compensation of the Administrator, Deputy Administrator, and heads and assistant heads of the principal organizational units, and taking into consideration provisions of law providing the compensation of offices having comparable responsibilities and duties, the President shall fix rates of compensation for each of them which he deems commensurate with the responsibilities and duties of the several offices. Thus the broader application of the Senate provision (to heads and assistant heads of constituent units) is adopted, but the House recognition of the pendency of other salary legislation is retained and a new element requiring consideration of salaries paid to comparable officers is introduced in lieu of the House reference to provisions of existing law governing compensation of the officers named. It should be noted that under other provisions of the substitute discussed in the following paragraph certain of the offices named in the original House provision are abolished.

DISPOSITION OF THE BUREAU OF FEDERAL SUPPLY

The House bill (sec. 102 (a)) transfers the Bureau of Federal Supply, and its functions, records, property, personnel obligations and commitments from the Department of the Treasury to the General Services Administration, also providing for a Commissioner of Federal Supply to be the head of the Bureau of Federal Supply. The Senate amendment transfers the functions, records, personnel, etc., of the Bureau of Federal Supply to the General Services Administrator and abolishes that Bureau and the office of the Director. The substitute follows the Senate amendment in that it provides for the abolition of the Bureau and the office of the Director, but the language has been revised so that functions are transferred to the Administrator, and records, property, personnel obligations and commitments are transferred to the Administration. This framework is in accordance with the recommendations of

the Commission on Organization of the Executive Branch of the Government.

FEDERAL WORKS

The House bill would have transferred to the General Services Administration the Public Buildings and Roads Administrations and all other functions of the Federal Works Agency, and merely abolished the Federal Works Agency and the Offices of the Administrator and Assistant Administrator thereof. The Senate amendment would have transferred Public Roads and abolished not only the Federal Works Agency but also the Public Buildings Administration, and the office of the Commissioner thereof. The conference substitute follows the Senate amendment substantially, though in slightly different language, and, also, transfers the functions of the Commissioner of Public Roads to the Administrator of General Services. The substitute thus conforms to the strong recommendations of the Commission on Government Organization for an integrated organization with all statutory authority and responsibility vested in the head of the organization. For the same reasons the conference substitute has omitted the prior language preserving the Bureau of Community Facilities. Further, the substitute changes the name of Public Roads Administration to Bureau of Public Roads as another step toward standard governmental nomenclature.

ARCHIVES

The House text would have exempted from transfer to the Administrator the functions of the Archivist of the United States, under the act of July 7, 1943, respecting the destruction of certain historical records. The Senate amendment struck out this exemption. The House conferees accepted the Senate version because it conforms to the recommendations of the Commission on Organization that all authority and responsibility be lodged in the head of the agency. For the same reasons, the conferees adopted the House language which transfers to the General Services Administration, the custody of certain Federal funds now held by several bodies connected with the National Archives Establishment, and likewise also transferred to the General Services Administration under both the Senate and House texts.

RECORDS MANAGEMENT

The Senate amendment added as section 104 (c) a new provision authorizing the Administrator (1) to survey and obtain reports on Government records management, (2) to promote improved records-management practices in the Government, including central storage and disposal, and (3) to report to the Congress on such activities. The conference substitute adopts the Senate provision as being a good start towards the improvement of Government records management as recommended by the Commission on Organization of the Executive Branch of the Government.

In connection with internal regrouping and redistribution of functions by the Administrator, the Senate amendment required the approval of the Director of the Bureau of the Budget to the necessary accompanying transfers of funds. It was felt that the authority in this field should not be divided. The conferees, therefore, agreed upon the House text, which authorizes the Administrator to make such transfers of funds and merely requires him to appropriately report such transfers to the Budget Director.

GENERAL SUPPLY FUND

The Senate amendment with respect to the General Supply Fund (sec. 109) establishes a new General Supply Fund and transfers to the Administrator the assets of the present General Supply Fund. The new fund is made available for the procurement of personal property and nonpersonal services for executive agencies. Beginning July 1, 1950,

only direct costs of procurement, handling, and distribution are to be paid from the fund and prices fixed by the Administrator are not to include indirect or overhead costs. Until July 1, 1950, prices are to be fixed as now authorized. Provision is made for advance payment by requisitioning agencies; otherwise, payment is to be made on vouchers in the usual manner, with the transfer and counter warrant method authorized when payment has not been made within 45 days after billing. The fund is a reimbursable fund, and the establishment of a special deposit account for use by disbursing officers is authorized. Upon the annual audit of the fund by the Comptroller General, any surplus found therein (all assets, liabilities, and prior losses considered) above the authorized capital goes to miscellaneous receipts. The Comptroller General is to report the results of each annual audit to the Congress, with any recommendations as to the status and operation of the fund. The fund may be used for the procurement of supplies and nonpersonal services requested by mixed-ownership Government corporations, the District of Columbia and certain non-Federal agencies, but in such cases, the prices charged are to include the estimated indirect as well as direct costs.

The Senate amendment provided that the fund should not be greater than \$100,000,000. With one change to reduce this figure to \$75,000,000, the Senate amendment was accepted in lieu of section 210 (e) of the House bill, which merely amended the present authority by providing that prices charged for supplies or nonpersonal services furnished through the General Supply Fund should be fixed in amounts estimated to represent two items of cost, i. e., purchase price and transportation. It is felt that the Senate amendment reconstituting the existing fund makes possible the simplification of certain procedures and is more desirable.

TRANSPORTATION AND TRAFFIC MANAGEMENT

The Senate conferees receded from the Senate amendment which deleted references to transportation and traffic management in section 201 (a) and which in section 502 (b) provided for the continuance of transportation and traffic management functions under Executive Order 6166. The provision of section 201 (a) of the House bill with respect to transportation and traffic management are in accordance with the Recommendations of the Commission on Organization of the Executive Branch of the Government and provide clear authority on this subject.

PUBLIC UTILITY CONTRACTS FOR MORE THAN 1 YEAR

The Senate amendment to section 201 (a) (3) provides that contracts for public-utility services may be made by the Administrator for periods not exceeding 10 years. The purpose of the amendment is to permit the Government to take advantage of discounts which may be obtained only under contracts for periods of longer than 1 year, particularly under contracts for electric-power requirements. The House conferees are thus in agreement with the Senate amendment.

In section 201 (c) the Senate conferees receded from the language of this subsection as contained in Senate amendment and accepted the House language. This eliminates the proviso in the Senate bill that items of personal property to be exchanged under this subsection must be subject to exchange as a general practice in trade channels.

Subsection 204 (e) is intended to permit any executive agency to accept on a projected basis strategic or critical material, as determined by the Munitions Board, in lieu of cash, in payment of amounts due the Government for rent, interest, or principal installments under leases or sales of surplus property.

The price to be allowed in computing the value of the strategic or critical material,

shall be the prevailing market price thereof at the time the cash payment or payments become or became due.

The House conferees accepted the provisions of subsection 204 (f) in the Senate amendment. This subsection makes it clear that the Administrator is authorized to administer and manage any credit, lease, or permit, and security therefor, taken in connection with the disposition of surplus property, and it authorizes him to enforce, or suitably adjust, or settle the rights of the Government thereto as he considers in the best interest of the Government.

SUPPLY CATALOG PROGRAM

The conferees agreed on adoption of the House language in section 206 (a) (3) whereby provision is set up to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies, provided, that the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication. The House language thus properly coordinates the military and civilian approach to the speedy completion of the present much needed cataloging program. The theme is cooperation.

In section 206 (b) the Senate receded from its amendment limiting the utilization of such uniform Federal supply catalog system and standard specification to executive agencies, in favor of House language applying to it "Federal" agency. The conferees pressed for this foregoing utilization, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide. Thus the use of the cataloging system is made mandatory by the Federal agencies, and not merely within the discretion of the head of any such agency or agencies.

REPORTS TO CONGRESS

The House bill language in section 210 directed the Administrator to submit a report to Congress, in January of each year and at such other times as he deems it desirable, regarding the administration of his functions under this act, together with such recommendations for amendments to this act as he may deem appropriate as the result of the administration of such functions. At that same time he is directed to cite laws becoming obsolete by reason of passage or operation of the provisions of this act. This latter point is pertinent since the Administrator will be immediately cognizant of such obsolete laws falling within his purview.

The Senate amendment set out in section 502 (f) that the Administrator shall report to the Congress, in January of each year, and at such other times as he may deem it desirable, the laws becoming obsolete by reason of the passage or operation of title II and III of this act.

It was consensus of the conferees that the language and location of the House section 210 was more proper, less restrictive in scope, and would better afford the Congress accurate information for future legislation.

Further, the House bill exempted from the act the special merchant marine programs of the Maritime Commission (but not its general administrative activities). The Senate amendment did not contain this exemption. The House version was agreed to by the conferees as being in conformity with other exemptions of special programs, provided for in both the House bill and the Senate amendment.

In section 502 (a) (1) the House conferees accepted the Senate amendment to this subsection which amendment saves section 13 (d) of the Surplus Property Act of 1944, as amended, from the repealer clause until December 31, 1949. It is the intention

of the conferees to save section 13 (d) of the Surplus Property Act of 1944, as amended.

WILLIAM L. DAWSON,
CHET HOLIFIELD,
M. G. BURNSIDE,
R. WALTER RIEHLMAN,
RALPH HARVEY,

Managers on the Part of the House.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 4754) to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DAWSON]?

There was no objection.

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement as above set out.

Mr. DAWSON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I rise simply to ask some questions. As I understand the purport of this statement and of the conference report, the bill in its final form is very much the same as the measure originally enacted by the House; and, if anything, the conference report has bettered the House measure a bit, and that it carries out at least as far as it goes the recommendations of the so-called Hoover Commission; is that correct?

Mr. DAWSON. The gentleman states perfectly our idea about the bill as it now stands. The conferees reached an agreement easily and the major provisions of the House bill were accepted.

We are deeply indebted to the gentleman from New York [Mr. RIEHLMAN], and the gentleman from Indiana [Mr. HARVEY] who sat in on the conference and added so much to reaching an agreement on the bill.

Mr. BROWN of Ohio. It was generally agreed that the House measure was the most substantial measure.

Mr. DAWSON. Blushingly, we admit that the House measure was the best.

Mr. BROWN of Ohio. I wish to congratulate the House committee and the conferees on the part of the House.

Mr. DAWSON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER AND PLACE OF MEETING OF THE HOUSE OF REPRESENTATIVES ON AND AFTER JULY 5, 1949, UNTIL FURTHER NOTICE

Mr. McCORMACK. Mr. Speaker, I offer a privileged resolution (H. Res. 271) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That when this House adjourns on Friday, July 1, 1949, it will adjourn to meet

foreign commerce, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BYRD. Mr. President, I submit an amendment intended to be proposed by me to the amendment proposed by Mr. TAFT (for himself, Mr. SMITH of New Jersey, and Mr. DONNELL) to the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes, and I ask unanimous consent that an explanatory statement of the amendment by me be printed in the RECORD).

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the statement presented by the Senator from Virginia will be printed in the RECORD.

The statement presented by Mr. BYRD is as follows:

STATEMENT BY SENATOR BYRD

The amendment which I have offered is a substitute for the so-called free-speech clause which appears as part of the pending amendment offered by the Senator from Ohio, Mr. TAFT. If it is adopted, it would amend the corresponding provisions of the Taft-Hartley Act in two respects and meet two outstanding criticisms which have been made with respect to the present subsection.

Under existing law it is provided that the expression of any views or arguments, which are noncoercive in character, shall not constitute an unfair labor practice. My amendment retains this salutary principle. But the present law goes further in also providing that expressions of views or arguments shall not be evidence of an unfair labor practice. A number of union officials have argued that this introduces an exclusionary rule of evidence which is unique in our system of jurisprudence because even though speech might be harmless in itself, it might throw light upon a man's motive. For example, it has been argued that if an employer privately told an employee that he was violently opposed to labor unions and if that employee were fired the next day after he had joined the labor union, the effect of the present law would be to prevent the Board from considering the employer's conversation in attempting to ascertain the motive for the discharge. My amendment would give the Board complete latitude so far as considering such relevant evidence is concerned, if it is adopted would delete from existing law the words "or be evidence of." My amendment would also alter existing law so as to guarantee both to employers and labor organizations complete freedom of speech in organizing campaigns. In the General Shoe case a majority of the National Labor Relations Board held that the free-speech subsection of the Taft-Hartley Act applied only to complaint cases and not to representation proceedings. Consequently, in that case the Board set aside an election because an employer had made certain arguments against unionism to his employees, although the Board conceded that the argument in question was free of any threat of reprisal or promise of benefit. This decision was widely criticized in industrial-relations circles as doing violence to the principle of free speech for both sides in labor disputes. Consequently, my amendment like the amendment proposed by the Senator from Ohio would prevent the Board from setting aside any elections as long as the arguments made on either side contained neither threats nor promises of benefit. While my amendment therefore does not differ in any substantial respect from the corresponding language of the text in the pending substitute, I believe it is superior from the standpoint of drafts-

manship since it follows the language of existing law except to eliminate the rule of evidence which I think is the subject of legitimate criticism.

In my opinion the language of the proposed substitute is unsatisfactory in that it uses such vague phrases as "under all the circumstances" and "express or implied." These words do not appear in the Taft-Hartley Act and are susceptible of misinterpretation. In any event such language would provoke a considerable volume of unnecessary litigation until it is authoritatively construed. I submit to the Senate that in amending existing law the best technique is to retain language which has received a construction generally regarded as correct by all parties and to eliminate merely the language which has created difficulty.

ADDRESS BY SENATOR WHERRY AT SEVENTY-FIFTH ANNIVERSARY CELEBRATION OF CREIGHTON, NEBR.

[Mr. WHERRY asked and obtained leave to have printed in the RECORD the address delivered by him at the seventy-fifth anniversary celebration of the town of Creighton, Nebr., on June 23, 1949, which appears in the Appendix.]

THE CIVIL-RIGHTS PROGRAM—STATEMENT BY SENATOR ROBERTSON

[Mr. EASTLAND asked and obtained leave to have printed in the RECORD a statement regarding the civil-rights program made by Senator ROBERTSON before the Committee on the Judiciary on June 29, 1949, which appears in the Appendix.]

REPORT BY SENATOR KILGORE ON THE DEVELOPMENT OF SYNTHETIC-FUELS INDUSTRY

[Mr. KILGORE asked and obtained leave to have printed in the RECORD a report prepared by him on the subject of the development of synthetic fuels in the United States, which appears in the Appendix.]

THE REAL DANGER: FEAR OF IDEAS—ARTICLE BY HENRY STEELE COMMAGER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "The Real Danger: Fear of Ideas," by Henry Steele Commager, from the New York Times magazine of June 26, 1949, which appears in the Appendix.]

CHARACTER ASSASSINATION AND THOUGHT CONTROL—ARTICLE BY MARQUIS CHILDS

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "Character Assassination and Thought Control," by Marquis Childs, from the Farmers Union Herald of June 20, 1949, which will appear hereafter in the Appendix.]

COMMENCEMENT ADDRESS BY BERNARD M. BARUCH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by Hon. Bernard M. Baruch at the commencement exercises commemorating the twenty-fifth anniversary of the formation of the Industrial College of the Armed Forces, in Washington, D. C., June 28, 1949, which appears in the Appendix.]

MEMORIAL DAY ADDRESS BY LT. COMDR. WILLIAM G. EARLES, UNITED STATES NAVY

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD a Memorial Day address delivered at the City Hall Plaza, Portland, Maine, by Lt. Comdr. William G. Earles, United States Navy, which appears in the Appendix.]

PINCHOT NATIONAL FOREST—EDITORIAL FROM THE SCRANTON TIMES

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Pinchot National Forest," from the Scranton Times of June 23, 1949, which appears in the Appendix.]

CONDITIONS IN HAWAII—EDITORIAL FROM THE HONOLULU ADVERTISER

[Mr. MCCARTHY asked and obtained leave to have printed in the RECORD an editorial regarding conditions in Hawaii, from the Honolulu Advertiser of June 20, 1949, which appears in the Appendix.]

THE STRIKE SITUATION IN HAWAII—EDITORIAL COMMENT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD two editorials relating to the strike in Hawaii, one from the Los Angeles Times of June 26, and one from the New York Times of June 25, 1949, which appear in the Appendix.]

NEBRASKA'S GAIN IN FACTORY JOBS—ARTICLE FROM OMAHA WORLD-HERALD

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Nebraska's Gain in Factory Jobs Leading Nation," published in the Omaha World-Herald of June 26, 1949, which appears in the Appendix.]

THE NETHERLANDS EDUCATION SYSTEM—ARTICLE BY E. F. SCHROEDER

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article entitled "The Dutch Show the Way," written by E. F. Schroeder and published in the magazine America under date of April 23, 1949, which appears in the Appendix.]

STATEMENT BY INTERNATIONAL CHIROPRACTIC ASSOCIATION ON NATIONAL HEALTH BILLS

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a statement by the International Chiropractic Association with reference to the position of that organization on national health bills, which appears in the Appendix.]

GOETHE BICENTENNIAL CONVOCATION AND MUSIC FESTIVAL, 1949

[Mr. LANGER asked and obtained leave to have printed in the RECORD a pamphlet entitled "Goethe Bicentennial Convocation and Music Festival, 1949," to be held at Aspen, Colo., June 27 to July 16, 1949, which appears in the Appendix.]

INVESTIGATION OF AMERICANS INVOLVED IN GERMAN CARTELS

[Mr. LANGER asked and obtained leave to have printed in the RECORD a statement by the People's Lobby, Inc., of Washington, D. C., dated June 29, 1949, and entitled "Congress Leaders Asked To Investigate Americans Involved in German Cartels," which appears in the Appendix.]

TIME TO BEGIN—EDITORIAL FROM WALL STREET JOURNAL

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Time To Begin," published in the Wall Street Journal for Wednesday, June 22, 1949, concerning the Hoover Commission's recommendations for the reorganization of the Federal Government, which appears in the Appendix.]

SHERIFFS AND MOBS—EDITORIAL FROM WASHINGTON POST

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an editorial from the Washington Post of June 29, 1949, entitled "Sheriffs and Mobs," which appears in the Appendix.]

THAT WORD "INJUNCTION"—EDITORIAL
FROM JOHNSTOWN (PA.) TRIBUNE

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial published in the Johnstown Tribune of June 13, 1949, entitled "That Word 'Injunction'," which appears in the Appendix.]

AMERICAN RELATIONS WITH SOVIET
UNION

Mr. WILEY. Mr. President, I send to the desk a statement regarding American relations with the Soviet Union, which I ask be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY
THE MYSTERY OF SOVIET RUSSIA

The greatest question mark in the world today concerns the attitude of the leaders of the Soviet Union in relation to the problem of world peace. It is the hope of mankind that the some dozen men in the Politburo will not take any steps which will plunge their homeland into a disastrous war. We do not believe that war with Russia would accomplish any good; we do not believe that war with Russia is necessary or even inevitable.

We do believe, however, that we must be alert and vigilant against aggression and that we must indicate in unmistakable terms to the Russians that we are fully prepared against any emergency. At the same time, we must sincerely extend a hand of friendship to the Russian people, against whom we have no quarrel, toward whom we feel no bitterness, and whom we only pity because of the dictatorship in which they are enslaved.

News reports from Russia are at best fragmentary. They scarcely reveal what is truly going on behind the iron curtain. Nevertheless, from reports that we do receive from Russia and her satellite countries, all is not well.

It is our prayer that the leaders of Russia will not try the old technique of creating foreign trouble in order to take the minds of the people off domestic trouble. It is our prayer that the sons and daughters of Russia will be spared participation in another war, just as the sons and daughters of other peoples should also be allowed to live in peace.

I append for printing in the RECORD the text of two newspaper editorials which appeared within the same week in two Wisconsin papers on various phases of life behind the iron curtain. One of them, entitled "Purge in Russia," was published in the June 14 issue of the newspaper the La Crosse (Wis.) Tribune. The other, entitled "Where the Arts Die," was published in the June 17 issue of the Superior (Wis.) Evening Telegram.

(The editorials are as follows:)

[From the La Crosse (Wis.) Tribune]
"PURGE IN RUSSIA"

"In spite of the efforts of the Soviet Government to keep the world in the dark on what goes on in Russia, there is evidence available indicating a political purge is taking place in the Soviet Union.

"At least 300,000 members of the Communist Party have been expelled, including several who were high in the councils of the party. Many have just dropped out of sight, presumably liquidated or sent into exile. This is particularly true of those in charge of the Communist youth league.

"The Russian people are becoming restless under the Communist yoke. Voice of Amer-

ica broadcasts are having an effect upon the people's morale. To offset this Moscow is increasing its propaganda, distributing millions of circulars and pamphlets in which conditions in the United States are pictured as approaching revolution.

"Soviet citizens who claim to have visited America report in a magazine article that wretched poverty is the rule here, and many are forced to eat from garbage cans. This is merely a mild sample of the lies deliberately designed to misinform the Russian people.

"Full significance of the present purge cannot be understood at this time. But there is proof that a wholesale shake-up is taking place, proof that all is not going well for the Soviet regime.

"Forced labor camps and prisons are increasing. The day of another Russian revolution cannot be delayed indefinitely."

[From the Superior (Wis.) Telegram]

"WHERE THE ARTS DIE"

"'Art for art's sake' is a slogan which does not go in Communist states. Zoltan Sztankay, a former Hungarian diplomat who resigned from the service when the Communists took his country over and now lives in the United States, reports that the platform of the Hungarian Workers' Party, a Communist organization, does not forget art and literature. Each must praise the Red regime or contribute in some way to the advancement of Communist ideals. Artists who do not comply are likely to run afoul of the police. Mere beauty of thought or form is not enough, in fact, is suspect. Writing which is too complicated for the least educated of its readers may mean severe punishment for the unfortunate author.

"The ban is less strict in Hungary than in Russia or other eastern European states where the Russian grip is firm, but it exists nonetheless and is a constant peril to literary talent.

"In literature, as in music and science, even astronomy, there is a state-enforced rigidity of doctrine and baldness of form. It can hardly lead elsewhere than to complete drying up of inspiration and the ultimate death of all intellectual life."

INCREASE IN COMPENSATION OF CERTAIN
DISTRICT OF COLUMBIA EMPLOYEES

Mr. McGRATH. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Order No. 548, House bill 3088, which has a deadline and which must be passed and signed by the President before midnight of June 30. There is no controversy regarding it, and it will take approximately 1 minute.

Mr. WHERRY. Reserving the right to object, was this bill on the calendar the last time the calendar was called?

Mr. McGRATH. It was not reached the last time.

Mr. WHERRY. It has not been called up for consideration on the Senate floor heretofore. Is that correct?

Mr. McGRATH. That is correct.

Mr. WHERRY. Was it reported unanimously by the committee?

Mr. McGRATH. It was.

Mr. WHERRY. I have no objection.

THE VICE PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

There being no objection, the Senate proceeded to consider the bill (H. R. 3088) to increase the compensation of certain employees of the municipal gov-

ernment of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 23, to insert:

Except that such additional compensation shall be paid a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement.

And on page 4, beginning in line 9, to strike out:

Except that such additional compensation shall be paid a retired employee for services rendered between the first day of the first pay period which began after June 30, 1948, and the date of his retirement.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PROCUREMENT, UTILIZATION, AND DISPOSAL OF GOVERNMENT PROPERTY, ETC.—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a conference report to accompany House bill 4754 to simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes, and I ask unanimous consent for its immediate consideration.

THE VICE PRESIDENT. The conference report will be read.

(For conference report, see pp. 8724 et seq. of the House proceedings of Tuesday, June 28, 1949.)

THE VICE PRESIDENT. Is there objection to the present consideration of the conference report?

Mr. JOHNSON of Colorado. Reserving the right to object, I desire to discuss very briefly one point in the conference report.

Mr. McCLELLAN. I shall yield to the Senator if he cares to make a statement.

Mr. JOHNSON of Colorado. Does the Senator from Arkansas care to make a statement?

Mr. McCLELLAN. No. The bill includes transfers of general service agencies or administrations, among which are included the transfer of the Bureau of Federal Supplies. The functions of the bureau are transferred. There is also transferred the War Assets Administration. The law expires tomorrow, and it is necessary that the bill be passed and signed by the President. There are also included a number of other functions and services. I know the one in which the able Senator from Colorado is particularly interested. The Senate agreed to the amendment as the committee had requested. We took it to conference, and the conferees of the House would not accept it. I want to say to the able Senator from Colorado and to other members of the committee that upon a study of the provision in the bill in which the Senator is interested I do not believe it will materially affect any of the substantial rights of other agencies. I think it will be of aid to them. I think it is in the interest of economy and that considerable economy will result in the field of transportation if the provisions of the

bill go into effect and are properly administered.

Mr. JOHNSON of Colorado. Mr. President, the members of the Committee on Interstate and Foreign Commerce realize the difficulties under which the Senate conferees were laboring when they met with the House conferees on the provisions of H. R. 4754, to which our committee objected. We did not object because we were opposed to what was being done. We objected because H. R. 4754 did not go far enough. We desire to have further hearings in our committee to develop the need for the establishment of a Federal Traffic Bureau.

On February 25 of this year I introduced Senate bill 1095, which had for its purpose the establishment of a Federal Traffic Bureau, and I ask unanimous consent to insert in the RECORD at this point a copy of that bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 1095) to establish a Federal Traffic Bureau, and for other purposes, was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Traffic Bureau Act."

DEFINITIONS

SEC. 2. As used in this act unless the context otherwise requires—

(1) the term "United States" means the United States Government or any officer, department, or agency thereof (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States);

(2) the term "carrier" means any transportation agency subject to regulation under any part of the Interstate Commerce Act, as amended, or under the Civil Aeronautics Act of 1938, as amended, the Merchant Marine Act of 1936, as amended, the Shipping Act of 1916, as amended, the Intercoastal Shipping Act of 1933, as amended;

(3) the term "administrative tribunal" means the Interstate Commerce Commission, the Civil Aeronautics Board, the Maritime Commission, and any other administrative agency now or hereafter constituted with power to regulate the rates, charges, practices, rules, or regulations of carriers;

(4) the term "Government traffic" or "Government shipment" means one or more shipments of property by any mode of transportation to, from, by, or for the account of, the United States;

(5) the term "tariff" means any tariff, schedule or classification, and any revision, or amendment thereof, or supplement thereto filed by any carrier, with any administrative tribunal, naming or affecting rates, ratings, charges, classifications, rules, regulations, or practices for the transportation of property;

(6) the term "Bureau" means the Federal Traffic Bureau established under section 3; and

(7) the term "Director" means the Director of the Federal Traffic Bureau.

SEC. 3. There is hereby established an agency of the United States to be designated as the Federal Traffic Bureau to which Bureau there are hereby transferred all of the powers, duties, and responsibilities of all departments and agencies of the Government (including corporations all or substantially all of whose capital stock is owned or held by or for the United States), with respect to the following matters, which are hereby vested exclusively in said Bureau—

(1) the negotiation and making of all contracts for the transportation of Government traffic;

(2) the routing, diversion, or reconsignment of Government shipments;

(3) the representation of the United States in all proceedings before administrative tribunals relating to matters within the jurisdiction of the Bureau;

(4) the checking, auditing, revision, and verification of bills for transportation charges for Government shipments; and

(5) the filing and prosecution of claims, actions, suits, or proceedings for recovery of overcharges or unreasonable charges for transportation of Government shipments, or for loss of, damage to, or delay in Government shipments.

SEC. 4. (a) The Bureau shall be administered by a Director to be appointed by the President, by and with the advice and consent of the Senate, who shall serve during good behavior and shall receive an annual salary of \$12,000. The Director shall be a citizen of the United States and, during his term of office, shall have no pecuniary interest in or own any stock or bonds of and carrier or any person, firm, or corporation owning or controlling any carrier.

(b) The Director shall, without regard to the civil-service laws, appoint and prescribe the duties of a general counsel, such assistant directors as may be necessary, a secretary for the Director, a secretary for such general counsel, and assistant directors, and a secretary for each of such. Subject to the provisions of the civil-service laws, the Director shall appoint, and shall prescribe the duties of such other officers and employees as he shall deem necessary in exercising and performing his powers and duties. The compensation of all officers and employees appointed by the Director shall be fixed in accordance with the Classification Act of 1923, as amended.

(c) The Director may, from time to time, without regard to the provisions of the civil-service laws, engage for temporary service such duly qualified experts, consulting engineers or agencies, or other qualified persons, as are necessary in the exercise or performance of the powers and duties vested in him, and shall fix their compensation without regard to the Classification Act of 1923, as amended.

(d) Within 60 days after the appointment and qualification of the Director, every officer, department, and agency of the Government (including a corporation all or substantially all of whose capital stock is owned or held by or for the United States), heretofore exercising or performing any of the powers, duties, and responsibilities herein transferred to the Bureau, shall list upon forms to be prescribed by the Director, all officers and employees in such department, agency, or corporation, and all property, including office equipment and official records, employed in the exercise and performance of the aforesaid powers and duties, and thereafter there shall be transferred from such reporting department, agency, or corporation to the Bureau such of the officers, employees, property, including office equipment and official records, as shall be found by the President and specified by executive order to be necessary for the efficient and prompt performance of the powers and duties of the Bureau as herein vested.

SEC. 5. The Bureau is authorized and directed continuously to investigate and ascertain the facilities, equipment, instrumentalities, routes, and services of all carriers with respect to the availability for utilization thereof for the transportation of Government shipments, and by general or special instructions or routing guides, shall supervise and direct the selection of the carrier or carriers and the route or routes for the transportation of all Government ship-

ments, by all consignors thereof, subject to the following considerations to control in the order named:

(1) The quality of the transportation service required for the particular type or class of Government shipment involved.

(2) The over-all cost of the transportation to the Government, including incidental and accessorial expenses as well as transportation charges paid the carrier.

(3) The fair, impartial, and equitable distribution among all modes of transportation and all carriers in accordance with their respective carrier capacities.

SEC. 6. It shall be the duty of the Bureau continuously to investigate the justness and reasonableness of all present and proposed tariffs insofar as they shall relate to or concern, directly or indirectly, any actual or potential Government traffic and to negotiate and contract with any such carrier:

(1) For any change in any tariff; (2) for the establishment, for such period of time as may be agreed upon, of other just and reasonable tariffs for the transportation of Government traffic; and (3) as to the form, terms, and conditions of, and rules and regulations relating to, bills of lading and other billing papers or transportation documents covering or pertaining to the transportation of Government traffic.

SEC. 7. The Bureau, as the sole representative of the United States, shall be empowered to institute, or to intervene or participate in, any formal or informal proceeding relating to any matter within the jurisdiction of the Bureau before any administrative tribunal, and to make such representations and introduce such evidence therein as the Bureau shall deem to be proper and necessary, and to file any petition or complaint with any such administrative tribunal as the Bureau shall deem proper or necessary in the interest of the United States.

SEC. 8. The Bureau shall receive, audit, check, and verify all bills against the United States for the transportation of Government shipments and shall certify the correctness of such charges in writing upon the face thereof and such certification shall be final and binding upon all executive and administrative officers of the United States except as the same thereafter may be amended, corrected, or set aside by the Director, by any court, or by any competent administrative or other governmental tribunal.

SEC. 9. The Director may, from time to time, in his discretion, establish regional, local, departmental, or agency branch offices, and may delegate and assign to such offices such powers, duties, and responsibilities as he shall determine; but in every such case, the officers and employees of such branch offices shall be subject to and report to the Director, insofar as their duties relate to the exercise of such powers, duties, and responsibilities.

SEC. 10. (a) The Director is authorized and empowered to sue, for and in behalf of the United States, in any court or before any competent tribunal, for the recovery of any unlawful, unjust, or unreasonable charge theretofore paid by the United States for the transportation of Government shipments, and for damages resulting from loss, injury, or delay thereto, or for the enforcement or for the breach of any contract relating to such charge or such transportation.

(b) Any carrier is authorized to sue the Director, as the representative of the United States, in any district court of the United States in which district such carrier maintains a principal office or in which the Bureau maintains a principal or branch office for all unpaid charges for the transportation of Government shipments, or to enforce, or for the breach of, any contract made pursuant to this Act with said Bureau.

(c) It shall be the duty of any district attorney of the United States, under the direc-

tion of the Attorney General of the United States, upon application of the Director, to institute or defend any action, suit, or proceeding described in this section, except proceedings before an administrative tribunal.

(d) All actions and suits against the Director under the provisions of subsection (b) shall be begun within 2 years from the date the cause of action accrued, or within 2 years from the date of enactment of this act, whichever date is the later.

SEC. 11. On or before the 3d day of January of each calendar year the Director shall transmit to the Congress a report containing information with respect to all activities of the Bureau during the preceding calendar year and such information and data as may be considered of value in the determination of questions connected with the transportation of Government shipments together with such recommendations as to additional legislation relating thereto as the Director may deem necessary.

Mr. JOHNSON of Colorado. Mr. President, the provisions of the bill we are considering at this time do not go far enough. For instance, they eliminate the transportation of the military, and they eliminate from the consideration of the proposed traffic bureau the transportation occasioned by the adoption of the Marshall plan.

We are dealing with a very important subject. One-tenth of all the costs of transportation in the United States is paid by the Federal Government. The Federal Government is the biggest shipper, and it pays one-tenth of all the cost of transportation of property by all the different carriers in the United States. It is in the interest of economy, as the Hoover report pointed out, that we have a centralized agency to handle this transportation. So, while the bill which is being considered, H. R. 4754, does move in the right direction, our committee is not entirely satisfied with all its terms and provisions. Therefore, we wish to announce now that we are going ahead with hearings on our bill in order to develop all the facts pertaining to this question. We do not think the hearings have been sufficient to bring out all the facts in connection with this kind of legislation, and we are going ahead with hearings on the bill which is now in our committee, and are going to keep a watchful eye on the effectiveness of the traffic bureau which is being set up under H. R. 4754.

Mr. President, I merely desire to let the Senate know that our committee is not dropping the matter; that we consider this a very important subject; that we want to work out something very constructive; that we agree with H. R. 4754 insofar as it goes; and that we are going to watch very carefully, and see what developments are made under its terms.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ORDER FOR RECESS OR ADJOURNMENT FROM FRIDAY TO TUESDAY AND FOR MEETING IN OLD SUPREME COURT ROOM ON JULY 5

Mr. LUCAS. Mr. President, out of order, I send to the desk a resolution and ask that it be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 130) was read as follows:

Resolved, That when the Senate recesses or adjourns on Friday, July 1, 1949, it be until Tuesday, July 5, 1949; and that on said day, and until otherwise ordered, it meet in the old Supreme Court room in the Capitol.

Resolved, That all rules relating to the Senate Chamber shall be applicable to the old Supreme Court room.

Resolved, That the Secretary communicate these resolutions to the President of the United States and to the House of Representatives.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, I do not intend to object to the resolution, but I wish to ask a question in regard to that part of it which provides for a recess beginning on Friday. Does the majority leader wish to make any statement about what his plans are for Thursday?

Mr. LUCAS. I can only repeat what I have said before, perhaps not with so much emphasis as I shall use at the moment.

After the Senate concludes tomorrow afternoon with the consideration of the Taft substitute, or any part of the Thomas bill, we will take a recess until the following day, and on Friday no business will be transacted, as there will probably be just enough Senators present to take a recess until the following Tuesday. On Tuesday the Senate will meet in the old Supreme Court room, as is provided in the resolution just read.

Regardless of what happens to the labor bill, whether we defeat the Taft substitute or fail to defeat it, the recess will be taken the following day, and there will be no real session on Friday or Saturday.

Mr. WHERRY. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

PAYMENT OF CLAIMS CHARGEABLE TO LAPSED APPROPRIATIONS

Mr. HOEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 566 on the Calendar, House bill 3549, to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund.

Mr. President, my reason for making the request at this time is that if the bill is to be passed, it should be passed today, because it will take effect on the 1st of July.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, does the bill come from the committee unanimously?

Mr. HOEY. Yes. The subcommittee considered the bill, and in the subcommittee one member voted "present," but when it came before the full committee, there was no objection, and it was voted out unanimously.

I may say also that the bill is recommended by the General Accounting Office, the Comptroller General, it is approved by the Treasury Department, and

likewise approved by the Bureau of the Budget.

Mr. WHERRY. The bill was not on the calendar at the last call of the calendar, and has not been discussed on the floor of the Senate and considered, has it?

Mr. HOEY. No.

Mr. WHERRY. Are there any amendments to the bill?

Mr. HOEY. Only one or two clarifying amendments.

Mr. WHERRY. The amendments do not embrace substantive matter, do they?

Mr. HOEY. No, not at all. The bill has already passed the House.

Mr. HENDRICKSON. Mr. President, I wonder if the distinguished Senator would tell us why we have to take this bill up except on a call of the calendar.

Mr. HOEY. It relates to lapsed appropriations, and unless it is taken up and passed before July 1, it will not be effective at all.

Mr. HENDRICKSON. I have no objection.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3549) to permit the Comptroller General to pay claims chargeable against lapsed appropriations and to provide for the return of unexpended balances of such appropriations to the surplus fund, which had been reported from the Committee on Expenditures in the Executive Departments, with amendments, on page 2, line 6, after the word "account", to strike out "on the books of the General Accounting Office"; and in line 10, after the word "to", to strike out "the balances of the respective lapsed appropriations so transferred" and insert "the respective balances of any lapsed appropriations."

The amendments were agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

NATIONAL LABOR RELATIONS ACT OF 1949

The Senate resumed the consideration of the bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

Mr. TAFT. Mr. President, I desire to speak on the substitute which is now before the Senate. Very roughly, the differences between the substitute and the Thomas bill are set forth in a pamphlet entitled "Essential Principles of the Taft-Hartley Law and Amendments Proposed by the Republican Minority," a copy of which, I believe, has been placed on the desk of every Senator. The pamphlet shows in substance the differences between the Taft-Smith of New Jersey-Donnell substitute and the Thomas bill, with the exception that the Thomas bill now has had adopted to it four or five provisions which are included in the list of important features proposed to be retained, namely, the duty of unions to bargain collectively, the guaranty of the right of free speech, the requirement of the filing of financial statements, the fil-

[PUBLIC LAW 152—81ST CONGRESS]

[CHAPTER 288—1ST SESSION]

[H. R. 4754]

AN ACT

To simplify the procurement, utilization, and disposal of Government property, to reorganize certain agencies of the Government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

That this Act may be cited as the "Federal Property and Administrative Services Act of 1949".

TABLE OF CONTENTS

Sec. 2. Declaration of policy.

Sec. 3. Definitions.

TITLE I—ORGANIZATION

Sec. 101. General Services Administration.

Sec. 102. Transfer of affairs of Bureau of Federal Supply.

Sec. 103. Transfer of affairs of the Federal Works Agency.

Sec. 104. Records management: Transfer of the National Archives.

Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.

Sec. 106. Redistribution of functions.

Sec. 107. Transfer of funds.

Sec. 108. Status of transferred employees.

Sec. 109. General supply fund.

TITLE II—PROPERTY MANAGEMENT

Sec. 201. Procurement, warehousing, and related activities.

Sec. 202. Property utilization.

Sec. 203. Disposal of surplus property.

Sec. 204. Proceeds from transfer and disposition of property.

Sec. 205. Policies, regulations, and delegations.

Sec. 206. Surveys, standardization, and cataloging.

Sec. 207. Applicability of antitrust laws.

Sec. 208. Employment of personnel.

Sec. 209. Civil remedies and penalties.

Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

Sec. 301. Declaration of purpose.

Sec. 302. Application and procurement methods.

Sec. 303. Advertising requirements.

Sec. 304. Requirements of negotiated contracts.

Sec. 305. Advance payments.

Sec. 306. Waiver of liquidated damages.

- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
- Sec. 402. Methods and terms of disposal.
- Sec. 403. Proceeds; foreign currencies.
- Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
- Sec. 502. Repeal and saving provisions.
- Sec. 503. Authorization for appropriations.
- Sec. 504. Separability.
- Sec. 505. Effective date.

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term “Federal agency” means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

(c) The term “Administrator” means the Administrator of General Services provided for in title I hereof.

(d) The term “property” means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term “excess property” means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

(f) The term “foreign excess property” means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(g) The term "surplus property" means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

(h) The term "care and handling" includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

(i) The term "person" includes any corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term "nonpersonal services" means such contractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term "contractor inventory" means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

TITLE I—ORGANIZATION

GENERAL SERVICES ADMINISTRATION

SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate, and such officer while so serving shall receive the salary fixed for the Administrator.

(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

SEC. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS
ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.

TRANSFER OF FUNDS

SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

(b) When other functions are transferred to the General Services Administration from any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

GENERAL SUPPLY FUND

SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than \$75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use

by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: *Provided*, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph

(1): *Provided*, That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

PROPERTY UTILIZATION

SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal

as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator, unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of

existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pursuant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such

transfer shall be made to said agency for such distribution within the State.

(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, classroom, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(D) "States" as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

(2) Subject to the disapproval of the Administrator within thirty

days after notice to him of any action to be taken under this subsection—

(A) The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,

is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former

owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Any executive agency entitled to receive cash under any contract covering the lease, sale or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or per-

mit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

POLICIES, REGULATIONS, AND DELEGATIONS

SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has

theretofore carried out such function, to the executive agency so authorized and directed.

(g) The Administrator may establish advisory committees to advise with him with respect to any function transferred to or vested in the Administrator by this Act. The members thereof shall serve without compensation but shall be entitled to transportation and not to exceed \$25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b-2), for persons so serving.

(h) The Administrator shall advise and consult with interested Federal agencies with a view to obtaining their advice and assistance in carrying out the purposes of this title. ✓

SURVEYS, STANDARDIZATION AND CATALOGING

SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

APPLICABILITY OF ANTI-TRUST LAWS

SEC. 207. Whenever any executive agency shall begin negotiations for the disposition to private interests of a plant or plants, or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the executive agency shall promptly notify the Attorney General of the proposed

disposal and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed sixty days after receiving such notification, the Attorney General shall advise the Administrator and the interested executive agency whether, insofar as he can determine, the proposed disposition would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Administrator or interested executive agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition or proposed disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; and sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended.

EMPLOYMENT OF PERSONNEL

SEC. 208. (a) The Administrator is authorized, subject to the civil-service and classification laws, to appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of titles I, II, III, and V of this Act.

(b) To such extent as he finds necessary to carry out the provisions of titles I, II, III, and V of this Act, the Administrator is hereby authorized to procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

(c) Notwithstanding the provisions of section 1222 of the Revised Statutes (10 U. S. C. 576) or of any other provision of law, the Administrator in carrying out the functions imposed upon him by this Act is authorized to utilize in his agency the services of officials, officers, and other personnel in other executive agencies, including personnel of the armed services, with the consent of the head of the agency concerned.

CIVIL REMEDIES AND PENALTIES

SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to

use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

REPORTS TO CONGRESS

SEC. 210. The Administrator shall submit a report to the Congress, in January of each year and at such other times as he may deem it desirable, regarding the administration of his functions under this Act, together with such recommendations for amendments to this Act as he may deem appropriate as the result of the administration of such functions, at which time he shall also cite the laws becoming obsolete by reason of passage or operation of the provisions of this Act.

TITLE III—PROCUREMENT PROCEDURE

DECLARATION OF PURPOSE

SEC. 301. The purpose of this title is to facilitate the procurement of supplies and services.

APPLICATION AND PROCUREMENT METHODS

SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

(1) by the General Services Administration for the use of such agency or otherwise; and

(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection.

The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

(2) the public exigency will not admit of the delay incident to advertising;

(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any university, college, or other educational institution;

(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, devel-

opment, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

(14) otherwise authorized by law.

(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conform-

ing to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 per centum of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

ADVANCE PAYMENTS

SEC. 305. (a) The agency head may make advance payments under negotiated contracts heretofore or hereafter executed in any amount

not exceeding the contract price upon such terms as the parties shall agree: *Provided*, That advance payments shall be made only upon adequate security and if the agency head determines that provision for such advance payments is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract.

(b) The terms governing advance payments may include as security provision for, and upon inclusion of such provision there shall thereby be created, a lien in favor of the Government, paramount to all other liens, upon the supplies contracted for, upon the credit balance in any special account in which such payments may be deposited and upon such of the material and other property acquired for performance of the contract as the parties shall agree.

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect

to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term “agency head” shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

(b) The term “supplies” shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5);

Revised Statutes, section 3735 (41 U. S. C. 13);

Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements

in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

METHODS AND TERMS OF DISPOSAL

SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

PROCEEDS, FOREIGN CURRENCIES

SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such

amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

TITLE V—GENERAL PROVISIONS

APPLICABILITY OF EXISTING PROCEDURES

SEC. 501. All policies, procedures, and directives prescribed—

(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any function transferred to or vested in the Administrator, by the provisions of this Act;

(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act, in effect upon the effective date of this Act and not inconsistent here-

with, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

(2) that portion of the Act entitled "An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption "Surplus property disposal";

(3) the Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

(4) the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

(6) the first and second provisos contained in the fifth paragraph under the heading "Division of Supply" in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

(7) the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress);

(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 978; 5 U. S. C. 494);

(12) the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage" of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

(17) the fifth paragraph under the heading "Office of the Chief Signal Officer" of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

(18) the third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

(19) the fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

(20) the second paragraph under the heading "Government hospital for the insane" of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

(21) the second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

(d) Nothing in this Act shall impair or affect any authority of—

(1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;

(4) the National Military Establishment with respect to property required for or located in occupied territories;

(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;

(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940 (54 Stat. 712);

(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of residential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

(17) Central Intelligence Agency;

(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any

procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out "\$100" wherever it appears therein and inserting in lieu thereof "\$500".

AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.

SEPARABILITY

SEC. 504. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

EFFECTIVE DATE

SEC. 505. This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949.

Approved June 30, 1949.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 . . .

With Analysis and Index

THE FEDERAL PROPERTY AND ADMINISTRATIVE
SERVICES ACT OF 1949 . . . With Analysis and Index.

The Federal Property and Administrative Services Act of 1949, Public Law 152, 81st Congress, created the General Services Administration and is the basic legislation governing the procurement, utilization, and disposal of Government property and the management of Government records.

This pamphlet provides the text of the Act with each section followed by an analysis obtained from relevant portions of the Senate, House and Conference Reports on the Bill, together with approved interpretations of several sections by the General Counsel of this Administration. The pamphlet contains, also, a detailed index which should be helpful in locating particular provisions of the Act by subject matter reference.

W. C. Cleary

Acting Director
Office of Management

GENERAL SERVICES ADMINISTRATION
WASHINGTON 25, D. C.

GENERAL SERVICES ADMINISTRATION

JESS LARSON ADMINISTRATOR

October 1949

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SHORT TITLE

That this Act may be cited as the "Federal Property and Administrative Services Act of 1949".

TABLE OF CONTENTS

- Sec. 2. Declaration of policy.
- Sec. 3. Definitions.

TITLE I—ORGANIZATION

- Sec. 101. General Services Administration.
- Sec. 102. Transfer of affairs of Bureau of Federal Supply.
- Sec. 103. Transfer of affairs of the Federal Works Agency.
- Sec. 104. Records management: Transfer of the National Archives.
- Sec. 105. Transfer for liquidation of the affairs of the War Assets Administration.
- Sec. 106. Redistribution of functions.
- Sec. 107. Transfer of funds.
- Sec. 108. Status of transferred employees.
- Sec. 109. General supply fund.

TITLE II—PROPERTY MANAGEMENT

- Sec. 201. Procurement, warehousing, and related activities.
- Sec. 202. Property utilization.
- Sec. 203. Disposal of surplus property.
- Sec. 204. Proceeds from transfer and disposition of property.
- Sec. 205. Policies, regulations, and delegations.
- Sec. 206. Surveys, standardization, and cataloging.
- Sec. 207. Applicability of antitrust laws.
- Sec. 208. Employment of personnel.
- Sec. 209. Civil remedies and penalties.
- Sec. 210. Reports to Congress.

TITLE III—PROCUREMENT PROCEDURE

- Sec. 301. Declaration of purpose.
- Sec. 302. Application and procurement methods.
- Sec. 303. Advertising requirements.
- Sec. 304. Requirements of negotiated contracts.
- Sec. 305. Advance payments.
- Sec. 306. Waiver of liquidated damages.
- Sec. 307. Administrative determinations and delegations.
- Sec. 308. Statutes continued in effect.
- Sec. 309. Definitions.
- Sec. 310. Statutes not applicable.

TITLE IV—FOREIGN EXCESS PROPERTY

- Sec. 401. Disposal of foreign excess property.
- Sec. 402. Methods and terms of disposal.
- Sec. 403. Proceeds; foreign currencies.
- Sec. 404. Miscellaneous provisions.

TITLE V—GENERAL PROVISIONS

- Sec. 501. Applicability of existing procedures.
- Sec. 502. Repeal and saving provisions.
- Sec. 503. Authorization for appropriations.
- Sec. 504. Separability.
- Sec. 505. Effective date.

DECLARATION OF POLICY

SEC. 2. It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, specifications, property identification and classification, transportation and traffic management, management of public utility services, repairing and converting, establishment of inventory levels, establishment of forms and procedures, and representation before Federal and State regulatory bodies; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management.

 SECTION-BY-SECTION ANALYSIS ¹

The bill commences with a short title styled the "Federal Property and Administrative Services Act of 1949," following which is a table of contents.

Section 2. Declaration of policy

This is very brief and states the intent of the Congress to provide for the Government an economic and efficient system for (a) the procurement and supply of personal property and nonpersonal services and performance of related functions; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management. Other sections of the bill implement items (a), (b), and (c) by consolidating the present scattered property functions and by providing a new uniform charter for property management. Item (d) is implemented only by the transfer of the National Archives Establishment to the General Services Administration. Additional legislation will be necessary to establish an effective system of records management. Such a system, however, should be built around the National Archives Establishment, and should be administered in the General Services Administration, so that this transfer is a logical first step toward its creation.

¹ This analysis is composed of a consolidation of the Section by Section Analyses appearing in S. R. No. 475, and H. R. No. 670 and H. R. No. 935, all of the Eighty-first Congress, together with interpretations of the Act which have been approved by the General Counsel, General Services Administration.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term “executive agency” means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation.

(b) The term “Federal agency” means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate and the House of Representatives).

(c) The term “Administrator” means the Administrator of General Services provided for in title I hereof.

(d) The term “property” means any interest in property of any kind except (1) the public domain and lands reserved or dedicated for national forest or national park purposes; and (2) naval vessels of the following categories: Battleships, cruisers, aircraft carriers, destroyers, and submarines.

(e) The term “excess property” means any property under the control of any Federal agency which is not required for its needs and the discharge of its responsibilities, as determined by the head thereof.

(f) The term “foreign excess property” means any excess property located outside the continental United States, Hawaii, Alaska, Puerto Rico, and the Virgin Islands.

(g) The term “surplus property” means any excess property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the Administrator.

(h) The term “care and handling” includes completing, repairing, converting, rehabilitating, operating, preserving, protecting, insuring, packing, storing, handling, conserving, and transporting excess and surplus property, and, in the case of property which is dangerous to public health or safety, destroying or rendering innocuous such property.

(i) The term “person” includes any corporation, partnership, firm, association, trust, estate, or other entity.

(j) The term “nonpersonal services” means such contractual services, other than personal and professional services, as the Administrator shall designate.

(k) The term “contractor inventory” means (1) any property acquired by and in the possession of a contractor or subcontractor under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete full performance under the entire contract; and (2) any property which the Government is obligated to take over under any type of contract as a result either of any changes in the specifications or plans thereunder or of the termination of such contract (or subcontract thereunder), prior to completion of the work, for the convenience or at the option of the Government.

ANALYSIS

Section 3. Definitions

Several definitions require special note. “Property” includes all interests in property except the public domain and the major classes of naval vessels. “Excess property” means any property under the control of any Federal agency not required for its needs and responsibilities as determined by the head thereof.

"Surplus property" means any property which has been declared excess by a particular Federal agency and which, after a survey of the needs of other Federal agencies, is determined by the Administrator of General Services no longer to be required by the Federal Government as a whole. The definition of "Federal agency" in section 3 (b) excludes the Senate and the House of Representatives from the definition. Both Houses of Congress are among the bodies for which the Administrator is to provide procurement and related services, only upon request, as set out under section 201 (b); thus the autonomy of the Congress is preserved, except insofar as it shall, upon its request, desire to be included in the procurement and related services.

TITLE I—ORGANIZATION

GENERAL SERVICES ADMINISTRATION

SEC. 101. (a) There is hereby established an agency in the executive branch of the Government which shall be known as the General Services Administration.

(b) There shall be at the head of the General Services Administration an Administrator of General Services who shall be appointed by the President by and with the advice and consent of the Senate, and perform his functions subject to the direction and control of the President.

(c) There shall be in the General Services Administration a Deputy Administrator of General Services who shall be appointed by the Administrator of General Services. The Deputy Administrator shall perform such functions as the Administrator shall designate and shall be Acting Administrator of General Services during the absence or disability of the Administrator and, unless the President shall designate another officer of the Government, in the event of a vacancy in the office of Administrator.

(d) Pending the first appointment of the Administrator under the provisions of this section, his functions shall be performed temporarily by such officer of the Government in office upon or immediately prior to the taking of effect of the provisions of this Act as the President shall designate, and such officer while so serving shall receive the salary fixed for the Administrator.

(e) Pending the effective date of other provisions of law fixing the rates of compensation of the Administrator, the Deputy Administrator and of the heads and assistant heads of the principal organizational units of the General Services Administration, and taking into consideration provisions of law governing the compensation of officers having comparable responsibilities and duties, the President shall fix for each of them a rate of compensation which he shall deem to be commensurate with the responsibilities and duties of the respective offices involved.

ANALYSIS

DESIGNATION OF NAME

The new agency shall be known as the "General Services Administration." It is desired that the term "Administration" come to be applied only to independent agencies, that do not have Cabinet status, as in the case of the departments, and that are not primarily regulatory bodies as is the case with commissions. This change is effected in harmony with the recognition of the long over-due realignment of elements within the generic governmental term "agency." It is the beginning of proper, and more fittingly descriptive nomenclature, in governmental fields.

Section 101. General Services Administration

(a) *Establishment of General Services Administration.*—This subsection provides for the establishment in the executive branch of the Government of a new agency to be known as the General Services Administration.

(b) *Administrator of General Services.*—This subsection provides that the new agency shall be headed by a new officer of the Government, entitled "Adminis-

trator of General Services," to be appointed by the President by and with the advice and consent of the Senate.

(c) *Deputy Administrator*.—This subsection provides for a Deputy Administrator to be appointed by the Administrator. The Deputy Administrator will perform such functions as the Administrator may designate and be Acting Administrator during the absence or disability of the Administrator and (unless the President designates another officer to serve as Administrator) in the event of a vacancy in that office.

(d) *Performance of functions pending first appointment*.—This subsection provides that, pending the first appointment of an Administrator, his functions shall be performed, temporarily, by such officer as the President shall designate. In case the incumbent of an abolished office is designated, he will be entitled to receive compensation during the period of his temporary service.

(e) *Compensation of Administrator, Deputy Administrator, heads and assistant heads of the principal organizational units*.—This section authorizes the President to establish the rate of compensation for the Administrator, Deputy Administrator, the heads and assistant heads of the principal organizational units, at such rates as he shall deem to be commensurate with their duties and responsibilities.

TRANSFER OF AFFAIRS OF BUREAU OF FEDERAL SUPPLY

SEC. 102. (a) The functions of (1) the Bureau of Federal Supply in the Department of the Treasury, (2) the Director of the Bureau of Federal Supply, (3) the personnel of such Bureau, and (4) the Secretary of the Treasury, relating to the Bureau of Federal Supply, are hereby transferred to the Administrator. The records, property, personnel, obligations, and commitments of the Bureau of Federal Supply, together with such additional records, property, and personnel of the Department of the Treasury as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred by this section or vested in the Administrator by titles II, III, and V, of this Act, are hereby transferred to the General Services Administration. The Bureau of Federal Supply and the office of Director of the Bureau of Federal Supply are hereby abolished.

(b) The functions of the Director of Contract Settlement and of the Office of Contract Settlement, transferred to the Secretary of the Treasury by Reorganization Plan Numbered 1 of 1947, are transferred to the Administrator and shall be performed by him or, subject to his direction and control, by such officers and agencies of the General Services Administration as he may designate. The Contract Settlement Act Advisory Board created by section 5 of the Contract Settlement Act of 1944 (58 Stat. 649) and the Appeal Board established under section 13 (d) of that Act are transferred from the Department of the Treasury to the General Services Administration, but the functions of these Boards shall be performed by them, respectively, under conditions and limitations prescribed by law. There shall also be transferred to the General Services Administration such records, property, personnel, obligations, commitments, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of the Treasury Department as the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred by the provisions of this subsection.

(c) Any other provision of this section notwithstanding, there may be retained in the Department of the Treasury any function referred to in subsection (a) of this section which the Director of the Bureau of the Budget shall, within ten days after the effective date of this Act, determine to be essential to the orderly administration of the affairs of the agencies of such Department, other than the Bureau of Federal Supply, together with such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, of said Department, as said Director shall determine.

ANALYSIS

Section 102. Transfer of the Bureau of Federal Supply and contract-settlement functions to the General Services Administration.

(a) *Transfer of the Bureau of Federal Supply.*—This subsection provides for transferring to the General Services Administration the functions, records, and personnel of the Bureau of Federal Supply, now in the Department of the Treasury, and for vesting in the Administrator of General Services the functions of Treasury personnel relating to the Bureau of Federal Supply. It also provides

for abolishing the Bureau of Federal Supply, thereby permitting the Administrator of General Services to establish such organization as he deems necessary. The Bureau of Federal Supply has been in the Department of the Treasury since 1933 and exercises central procurement functions for the executive branch of the Government. Its functions are not essentially related to the primary fiscal and tax functions of the Department of the Treasury, so that the Bureau may readily be severed from that Department without impairment of the Department's efficiency. In the General Services Administration the Bureau will supplement the property-service functions of that agency and will facilitate more economical property management in the Government. The functions are transferred to the Administrator, and records, property, personnel obligations and commitments are transferred to the Administration. This framework is in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government. Functions of the Secretary of the Treasury, referred to in clause (4), include all functions vested in him by law but performed by the Bureau for him under appropriate delegation: For example, stock-piling under the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) and functions of over-all supervision and review of the performance of Bureau functions incidental to his position as head of the Department.

(b) *Transfer of contract-settlement functions.*—This subsection provides for transfer to the Administrator of General Services of the functions, transferred to the Secretary of the Treasury a little over 2 years ago, of the Director of Contract Settlement and the Office of Contract Settlement created by the Contract Settlement Act of 1944 (58 Stat. 649; 41 U. S. C. 101-125). These functions relate to the establishment of uniform policies and procedures for the settlement of terminated war contracts by Government contracting agencies and, because of the almost complete liquidation of the contract-termination program, are now routine and insignificant. Such little work as has been recently required in connection with this program has been carried on in the Treasury primarily by the Bureau of Federal Supply. It would be in the interest of good management to have this Bureau continue to wind up that program. This subsection likewise transfers from the Treasury to the General Services Administration the Appeal Board and the Contract Settlement Advisory Board also created by the Contract Settlement Act of 1944. This transfer is for housekeeping purposes only. The Secretary of the Treasury does not, nor will the Administrator of General Services, review decisions of the Appeal Board which will perform its functions under conditions and limitations prescribed by law.

(c) *Functions retained in the Treasury.*—This subsection permits the Bureau of the Budget to retain in the Treasury Department certain minor functions of the Bureau of Federal Supply, for example, as to printing, which properly pertain to the Treasury Department.

TRANSFER OF AFFAIRS OF THE FEDERAL WORKS AGENCY

SEC. 103. (a) All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator, of the Commissioner of Public Buildings, and of the Commissioner of Public Roads, are hereby transferred to the Administrator of General Services. There are hereby transferred to the General Services Administration the Public Roads Administration, which shall hereafter be known as the Bureau of Public Roads, and all records, property, personnel, obligations, and commitments of the Federal Works Agency, including those of all agencies of the Federal Works Agency.

NOTE: The Public Roads Administration, together with its functions, personnel, funds and the functions of the Commissioner of Public Roads, was transferred to the Department of Commerce by Reorganization Plan No. 7 of 1949, effective Aug. 20, 1949 (14 F. R. 5228).

(b) There are hereby abolished the Federal Works Agency, the Public Buildings Administration, the office of Federal Works Administrator, the office of Commissioner of Public Buildings, and the office of Assistant Federal Works Administrator.

ANALYSIS

Section 103. Transfer of affairs of the Federal Works Agency

(a) *Transfer of constituents and functions of the Federal Works Agency.*—This subsection transfers to the General Services Administration the functions, records, and personnel of (1) the Public Buildings Administration and (2) the Public Roads Administration (to be known as the Bureau of Public Roads), and all other functions, records, and personnel of (3) the Federal Works Agency. The functions of the Federal Works Administrator, the Commissioner of Public Buildings, and the Commissioner of Public Roads are transferred to the Administrator of General Services; thus conforming to the strong recommendation of the Commission on Government Organization for an integrated organization with all statutory authority and responsibility vested in the head of the organization.

(b) *Abolition of Federal Works Agency.*—This subsection abolishes the Federal Works Agency, Public Buildings Administration, Office of the Federal Works Administrator, Office of the Commissioner of Public Buildings, and the Office of the Assistant Federal Works Administrator.

RECORDS MANAGEMENT: TRANSFER OF THE NATIONAL ARCHIVES

SEC. 104. (a) The National Archives Establishment and its functions, records, property, personnel, obligations, and commitments are hereby transferred to the General Services Administration. There are transferred to the Administrator (1) the functions of the Archivist of the United States, except that the Archivist shall continue to be a member or chairman, as the case may be, of the bodies referred to in subsection (b) of this section, and (2) the functions of the Director of the Division of the Federal Register of the National Archives Establishment. The Archivist of the United States shall hereafter be appointed by the Administrator.

(b) There are also transferred to the General Services Administration the following bodies, together with their respective functions and such funds as are derived from Federal sources: (1) The National Archives Council and the National Historical Publications Commission, established by the Act of June 19, 1934 (48 Stat. 1122), (2) the National Archives Trust Fund Board, established by the Act of July 9, 1941 (55 Stat. 581), (3) the Board of Trustees of the Franklin D. Roosevelt Library, established by the Joint Resolution of July 18, 1939 (53 Stat. 1062), and (4) the Administrative Committee established by section 6 of the Act of July 26, 1935 (49 Stat. 501), which shall hereafter be known as the Administrative Committee of the Federal Register. The authority of the Administrator under section 106 hereof shall not extend to the bodies or functions affected by this subsection.

(c) The Administrator is authorized (1) to make surveys of Government records and records management and disposal practices and obtain reports thereon from Federal agencies; (2) to promote, in cooperation with the executive agencies, improved records management practices and controls in such agencies, including the central storage or disposition of records not needed by such agencies for their current use; and (3) to report to the Congress and the Director of the Bureau of the Budget from time to time the results of such activities.

ANALYSIS

Section 104. Records management: Transfer of the National Archives

(a) *Transfer of the National Archives establishment.*—This subsection transfers to the General Services Administration the functions, records, and personnel of the National Archives establishment, and to the Administrator of General Services the functions of the Archivist of the United States (except his membership in the bodies specified in subsection (b)), and of the Director of the Division of the Federal Register. The Archivist is to be appointed by the Administrator.

(b) *Transfer of National Archives Council and other bodies.*—This subsection transfers to the General Services Administration the National Archives Council, the National Historical Publications Commission, the National Archives Trust Fund Board, the Board of Trustees of the Franklin D. Roosevelt Memorial Library, and the Administration Committee of the Federal Register, and provides that the authority of the Administrator under section 106 shall not extend to those bodies or their functions.

(c) *Surveys of Government records.*—This subsection authorizes the Administrator to make surveys of Government records, records management, disposal practices, and obtain reports on records and disposal procedures from Federal agencies. The Administrator is authorized to promote improvements in records management, storage, and disposition of records and to report to Congress and to the Director of the Bureau of the Budget the results of such activities.

TRANSFER FOR LIQUIDATION OF THE AFFAIRS OF THE WAR ASSETS
ADMINISTRATION

SEC. 105. The functions, records, property, personnel, obligations, and commitments of the War Assets Administration are hereby transferred to the General Services Administration. The functions of the War Assets Administrator are hereby transferred to the Administrator of General Services. The War Assets Administration, the office of the War Assets Administrator, and the office of Associate War Assets Administrator are hereby abolished. Personnel now holding appointments granted under the second sentence of section 5 (b) of the Surplus Property Act of 1944, as amended, may be continued in such positions or may be appointed to similar positions for such time as the Administrator may determine.

ANALYSIS

Section 105. Transfer for liquidation of the affairs of the War Assets Administration

This section provides for the liquidation of the affairs of the War Assets Administration as an agency and transfers its remaining functions, and its records, property, personnel, obligations, and commitments to the General Services Administration. It also permits the retention of certain special assistants and other experts now holding appointments without regard to the provisions of the civil-service laws and the Classification Act of 1923, as amended, and their appointment to similar positions.

The retention in employment and the status of other personnel transferred from War Assets Administration to the General Services Administration will be governed by applicable provisions of existing law.

REDISTRIBUTION OF FUNCTIONS

SEC. 106. The Administrator is hereby authorized, in his discretion, in order to provide for the effective accomplishment of the functions transferred to or vested in him by this Act, and from time to time, to regroup, transfer, and distribute any such functions within the General Services Administration. The Administrator is hereby authorized to transfer the funds necessary to accomplish said functions and report such transfers of funds to the Director of the Bureau of the Budget.

ANALYSIS

Section 106. Redistribution of functions

Under this section the Administrator of General Services, in order effectively to perform the functions vested in him under the terms of this Act, is authorized to regroup and distribute within the Administration functions transferred to or vested in him by this Act, to make appropriate transfers of funds in connection therewith, and to report such transfers of funds to the Director of the Bureau of the Budget.

Such reporting is necessary in order to assure that funds are expended for the purpose for which they were appropriated, but it is not intended to give the Director of the Bureau of the Budget veto power over the Administrator so far as the organization of the Administration is concerned. The authority in this field should not be divided.

TRANSFER OF FUNDS

SEC. 107. (a) All unexpended balances of appropriations, allocations, or other funds available or to be made available, for the use of the Bureau of Federal Supply, the War Assets Administration, the Federal Works Agency, and the National Archives Establishment, and so much of the other unexpended balances of appropriations, allocations, or other funds of the Department of the Treasury, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate primarily to functions transferred to or vested in the Administrator by the provisions of this Act, shall be transferred to the General Services Administration for use in connection with the functions to which such balances relate, respectively.

(b) When other functions are transferred to the General Services Administration from any Federal agency, under section 201 (a) (2) or (3), or otherwise under this Act, there shall be transferred such records, property, personnel, appropriations, allocations, and other funds of such agency to the General Services Administration as the Director of the Bureau of the Budget shall determine to relate primarily to the functions so transferred.

ANALYSIS

Section 107. Transfer of funds

(a) This section transfers to the General Services Administration for activities under the bill the appropriations, allocations, or other funds available to the Department of the Treasury, the War Assets Administration, the Federal Works Agency, and the National Archives establishment for the functions transferred.

(b) *Transfer of functions of other agencies.*—This subsection provides that in the event that any other Federal agency, or any of its components, which are not specifically identified in this bill, are transferred to the General Services Administration, the functions, records, personnel, and funds of such organizations shall be transferred to the General Services Administration.

STATUS OF TRANSFERRED EMPLOYEES

SEC. 108. Subject to other provisions of this title relating to personnel, employees transferred by the provisions of this title shall be deemed to be employees of the General Services Administration and their reappointment shall not be required by reason of the enactment of this Act.

ANALYSIS

Section 108. Status of transferred employees

This section provides that, subject to other provisions of this title relating to personnel, employees transferred shall be deemed to be employees of the General Services Administration so as not to require reappointment.

GENERAL SUPPLY FUND

SEC. 109. (a) There is hereby authorized to be set aside in the Treasury a special fund which shall be known as the General Supply Fund. Such fund shall be composed of the assets of the general supply fund (including any surplus therein) created by section 3 of the Act of February 27, 1929 (45 Stat. 1342; 41 U. S. C. 7c), and transferred to the Administrator by section 102 of this Act, and such sums as may be appropriated thereto, and the fund shall assume all of the liabilities, obligations, and commitments of the general supply fund created by such Act of February 27, 1929. The capital of the General Supply Fund shall be in an amount not greater than \$75,000,000. The General Supply Fund shall be available for use by or under the direction and control of the Administrator (1) for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and (2) for paying all elements of cost of the procurement, handling, and distribution thereof, except that on and after July 1, 1950, those elements of cost which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs shall not be paid from the fund.

(b) Payment by requisitioning agencies shall be at prices fixed by the Administrator. Until July 1, 1950, such prices shall be fixed in accordance with law and regulations applicable on the date of enactment of this Act to prices fixed by the Director of the Bureau of Federal Supply. On and after such date, such prices shall be fixed at levels so as to recover so far as practicable all costs except those which are determined by the Administrator with the approval of the Director of the Bureau of the Budget to be indirect or overhead costs. Requisitioning agencies shall pay by advance of funds in all cases where it is determined by the Administrator that there is insufficient capital otherwise available in the General Supply Fund. Advances of funds also may be made by agreement between the requisitioning agencies and the Administrator. Where an advance of funds is not made, requisitioning agencies shall promptly reimburse the General Services Administration on vouchers prepared by the requisitioning agency on the basis of itemized invoices submitted by the Administrator and receiving reports evidencing the delivery to the requisitioning agency of such supplies or services: *Provided*, That in any case where payment shall not have been made by the requisitioning agency within forty-five days after the date of billing by the Administrator, reimbursement may be obtained by the Administrator by the issuance of transfer and counterwarrants supported by itemized invoices.

(c) The General Supply Fund shall be credited with all reimbursements, advances of funds, and refunds or recoveries relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus supplies procured through the fund and receipts from carriers and others for loss of, or damage to, supplies procured through the fund; and the same are hereby reappropriated for the purposes of the fund.

(d) A special deposit account may be established as a part of the General Supply Fund with the Treasurer of the United States for use by the chief disbursing officer or any regional disbursing officer, Department of the Treasury, which may be credited with (1) funds advanced from the General Supply Fund account on the books of the Division of Bookkeeping and Warrants and (2) other funds properly for credit to the General Supply Fund without being covered into the Treasury of the United States; and such special deposit account may be charged with payments properly chargeable to the General Supply Fund.

(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.

(f) Subject to the requirements of subsections (a) to (e), inclusive, of this section, the General Supply Fund also may be used for the procurement of supplies and nonpersonal services authorized to be acquired by mixed-ownership Government corporations, or by the municipal government of the District of Columbia, or by a requisitioning non-Federal agency when the function of a Federal agency authorized to procure for it is transferred to the General Services Administration: *Provided*, That the prices charged by the Administrator in such cases shall be fixed at levels which he estimates will be sufficient to recover, in addition to the direct costs of the procurement, handling, and distribution of such supplies and services, the indirect and overhead costs that the Administrator determines are allocable thereto.

ANALYSIS

Section 109. General supply fund

(a) This subsection reconstitutes the existing general supply fund for use by or under the direction of the Administrator. It establishes a ceiling on the capital of the fund and increases the present authorized capital by the amount of surplus therein at the end of the fiscal year 1949, varying for that fiscal year the rule that the surplus found in the fund as of June 30 be covered into the Treasury as miscellaneous receipts. The subsection continues the general purposes for which the fund may be used, providing specifically for its availability for procuring personal property (including the purchase from or through the Public Printer of standard forms and blankbook work for field warehouse issue) and nonpersonal services for the use of Federal agencies in the proper discharge of their responsibilities, and for paying all elements of cost of the procurement, handling, and distribution thereof except, effective July 1, 1950, those elements of cost which are determined to be indirect or overhead costs. The authorizations to use the fund to procure standard forms and blankbook work from the Public Printer and to make the fund's facilities available to all Federal agencies should contribute to the extension of the benefits of centralized procurement to all cases where such methods are more efficient and economical.

In eliminating the indirect and overhead costs from the costs which may be charged to the fund, cognizance has been taken of the recommendations of the Commission on Government Organization that the present surcharge on the price of commodities purchased centrally be eliminated and that the administrative costs of the central procurement agency be paid through direct appropriation. The provisions of this subsection are the result of an effort to find a

practical solution of the problem of the surcharge. It is intended that the general supply fund be used to pay only those elements of cost directly applicable to its procurement, handling, and distribution activities, such as the purchase price and transportation to first storage point of supplies and services; the cost of equipment and material used exclusively in the handling, repair, and distribution of supplies; breakage, shrinkage, and other inventory losses; the costs of personal services of personnel employed in contracting and processing of orders for and inspecting on receipt of, supplies purchased from the fund; and the cost of direct labor employed on the warehousing and distribution activities of the fund. Other costs, such as general supervisory, clerical and accounting costs, office and miscellaneous equipment and supplies, which are not incurred directly in connection with the procurement, handling, and distribution of supplies and services purchased from the fund will, as determined by the Administrator with the approval of the Director of the Bureau of the Budget, be budgeted and provided for by direct appropriation.

(b) This subsection provides for the fixing of prices of supplies and services sold from the General Supply Fund under the laws and regulations now applicable until July 1, 1950, and thereafter on the basis of recovering only the direct costs as outlined in connection with subsection (a) above. Reimbursement procedures are simplified by giving increased scope to the advance payment method of financing purchases from the fund, and by substantially reducing certain cumbersome and costly alternative procedures. The revised reimbursement procedures give effect, to the fullest extent practicable, to sound accrual accounting principles so that the books of the purchasing agencies will more accurately reflect the value of supplies and services actually received, and thus further the program which is under way to improve accounting throughout the Government. Prompt processing of reimbursements is essential to the successful operation of the program. To insure against undue delay, provision is made for reimbursement of the fund by transfer and counterwarrant if payment is not made by a requisitioning agency within 45 days after billing.

(c) This subsection provides that the general supply fund shall be credited with all reimbursements, advances, and refunds relating to supplies or services procured through the fund, including the net proceeds of disposal of surplus property of the fund. It substantially reenacts existing law. Since the general supply fund is a revolving fund, it is appropriate that these moneys be so credited in the interest of smoothness of its operation and to avoid its depletion.

(d) Under this subsection the most effective utilization of cash resources of the fund is provided for, by authorizing the establishment of a special deposit account into which all advances and fund receipts may be deposited, and from which payments may be made immediately. Under this simplification of the present collection and disbursement procedures applicable to the fund, cash will be available for use promptly after collection, without sacrificing any necessary controls.

(e) This subsection alters the previous requirement that all surplus in the fund, as determined in the annual audit by the Comptroller General, must be covered into the Treasury as miscellaneous receipts, by permitting losses incurred by the fund in prior years, as well as all assets and liabilities, to be considered in ascertaining the amount of such surplus. This change takes cognizance of the fact that such prior losses represent impairments of the fund capital, unless made good from earnings, and also will counteract any tendency to establish prices at too high a level. Also, there is added the requirement that the Comptroller General report to the Congress annually the results of the audit. Such reports, and his recommendations as to the status and operations of the fund, should be helpful to the Congress in its consideration of supply activities.

(f) This subsection makes the procurement facilities of the fund available to mixed-ownership Government corporations, to the municipal government of the District of Columbia, and, in certain cases, to non-Federal agencies, but requires that prices charged for supplies furnished these agencies shall be fixed at levels estimated by the Administrator to be sufficient to recover, in addition to the direct costs, the indirect costs determined by the Administrator to be allocable thereto. It is contemplated that a minimum of increased work will be entailed by the different treatment of agencies procuring under this subsection, considering the provision for cost estimates. The entire amount of reimbursements by such agencies will be deposited into the fund, subject to annual covering into miscellaneous receipts of any surplus which may remain in the fund at the close of the fiscal year. To the extent applicable, all the other features of subsection (a) to (e), inclusive, will govern procurements under this subsection.

TITLE II—PROPERTY MANAGEMENT

PROCUREMENT, WAREHOUSING, AND RELATED ACTIVITIES

SEC. 201. (a) The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1): *Provided*, That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment¹ from action taken or which may be taken by the Administrator under clauses (1), (2), (3), and (4) above whenever he determines such exemption to be in the best interests of national security.

(b) The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in the Government Corporation Control Act), or the District of Columbia, or the Senate, or the House of Representatives, upon its request.

(c) In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided*, That any transaction carried out under the authority of this subsection shall be evidenced in writing.

ANALYSIS

TITLE II. PROPERTY MANAGEMENT

This title deals with the subject of property management within the United States.

¹ Designation changed to Department of Defense by Pub. Law 216, 81st Cong., approved Aug. 10, 1949.

Section 201. Procurement, warehousing and related activities

(a) *Centralized control.*—This subsection authorizes the Administrator of General Services, where it is advantageous to the Government, to regulate the policies and methods of executive agencies with respect to the procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public-utility services, and repairing and converting. The Administrator may himself procure such personal property and nonpersonal services and perform such related functions, may consolidate and operate or arrange for the operation of suitable warehouses, repair shops, and similar facilities, and may for the use of executive agencies represent such agencies in negotiations with carriers and other public utilities, and in proceedings before regulatory bodies involving carriers and other public utilities. The provisions with respect to traffic management, management of public-utility services, and representation are not intended to abrogate any authority of the Department of Justice with respect to legal proceedings, are in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government and provide clear authority on this subject.

The Administrator is authorized to negotiate contracts for public-utility services, for agencies and departments, where it is deemed advantageous to the Government, for periods in excess of 1 year but not exceeding 10 years. The purpose of this provision is to permit the Government to take advantage of discounts which may be obtained only under contracts for periods of longer than 1 year, particularly under contracts for electric-power requirements.

This authority over procurement matters vested in the Administrator is a re-statement of authority concurrently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new, and that the relationship with the Department of Defense is somewhat changed. The Secretary of Defense is authorized, unless the President shall otherwise direct, to exclude procurement for the Department of Defense from control of the Administrator where the Secretary deems exclusion in the best interest of national security. Combat equipment and other items of peculiar importance to the armed forces could thus readily be excluded by the Secretary of Defense. At the same time, the Administrator would be in a better position to serve the armed forces more fully in meeting their other supply requirements, and he can appeal to the President if he thinks the Secretary of Defense has wrongly excluded him from any field. By opinion dated August 3, 1949, the Counsel to the Committee for Development of Areas of Understanding, between the Department of Defense and General Services Administration held that the power of exemption vested in the Secretary of Defense by the proviso to Section 201 (a) is not applicable to protection and maintenance of real property pending its disposal, which is governed by Sec. 203, and accordingly, as to such property in the possession of the Department of Defense, the Administrator may confer duties upon the Department of Defense with respect thereto regardless of whether the Department of Defense consents.

(b) *Services to the legislative and judicial branches, and mixed-ownership corporations.*—This subsection provides that the Administrator shall, as far as practicable, upon the request of any agency in the legislative or judicial branches of the Government, or of any mixed-ownership Government corporation, or of the District of Columbia, purchase, warehouse, and distribute personal property and nonpersonal services to meet their needs. Government economy will be furthered by allowing these organizations, supported in whole or in part by the Federal Government, to take advantage of savings in procuring supplies which the Administrator can provide through the operation of a central procurement system.

It is believed that, with the exceptions provided in the Act, the system of centralized procurement, strengthened by the statutory support which the Act provides, will prove its efficiency and economy in the years to come. This does not mean that every item must be procured by a central agency, but only that such an agency must be responsible for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances.

(c) *Application of trade-in allowances.*—This subsection authorizes executive agencies to exchange or sell personal property and apply the trade-in allowance

or proceeds of sale in whole or part payment for property acquired. This is an expansion of authority given under a number of existing statutes to specific agencies or with respect to specific types of property. While these statutes are repealed by section 502 (a) (8) to (28), the language here is intended to be sufficiently broad to preserve all such existing authority. For example, the Department of Agriculture may continue, subject, of course, to any regulations of the Administrator, to exchange publications without monetary appraisal or detailed listing as it has done in the past under that portion of the act of March 4, 1915 (5 U. S. C. 548), which is repealed by section 502 (a) (14). A proviso in the Senate bill requiring that items of personal property to be exchanged under this subsection must be subject to exchange as a general practice in normal trade channels was eliminated.

PROPERTY UTILIZATION

SEC. 202. (a) In order to minimize expenditures for property, the Administrator shall prescribe policies and methods to promote the maximum utilization of excess property by executive agencies, and he shall provide for the transfer of excess property among Federal agencies.

(b) Each executive agency shall (1) maintain adequate inventory controls and accountability systems for the property under its control, (2) continuously survey property under its control to determine which is excess property, and promptly report such property to the Administrator, (3) perform the care and handling of such excess property, and (4) transfer or dispose of such property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator.

(c) Each executive agency shall, as far as practicable, (1) make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes of the appropriation from which it was purchased, (2) transfer excess property under its control to other Federal agencies, and (3) obtain excess property from other Federal agencies.

(d) Under existing provisions of law and procedures defined by the Secretary of Defense, and without regard to the requirements of this section except subsection (f), excess property of one of the departments of the National Military Establishment may be transferred to another department thereof.

(e) Transfers of excess property between Federal agencies (except transfers for redistribution to other Federal agencies or for disposal as surplus property) shall be at the fair value thereof, as determined by, or pursuant to regulations of, the Administrator, unless such transfer is otherwise authorized by any law approved subsequent to June 21, 1944, to be without reimbursement or transfer of funds.

(f) The Director of the Bureau of the Budget shall prescribe regulations providing for the reporting to said Director by executive agencies of such reassignments or transfers of property between activities financed by different appropriations as he shall deem appropriate, and the reassignments and transfers so reported shall be reported to the Congress in the annual budget or otherwise as said Director may determine.

(g) Whenever the Administrator determines that the temporary assignment or reassignment of any space in excess real property to any Federal agency for office, storage, or related facilities would be more advantageous than the permanent transfer of such property, he may make such assignment or reassignment for such period of time as he shall determine and obtain, in the absence of appropriation available to him therefor, appropriate reimbursement from the using agency for the expense of maintaining such space.

(h) The Administrator may authorize the abandonment, destruction, or donation to public bodies of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

ANALYSIS

Section 202. Property utilization

This section deals with the most important phase of property management, which is continuing use by the Government of the Government's property.

(a) *Over-all direction of Administrator of General Services.*—This subsection fixes upon the Administrator of General Services the over-all responsibility to prescribe the policies and methods to promote the greatest use in the entire executive establishment of property which is excess to the needs of one particular establishment and also to provide for the transfer of such property among Federal agencies.

(b) *Responsibility of executive agencies to survey property.*—This subsection imposes upon each executive agency the responsibility, in the first instance, (1) to maintain adequate inventory controls and accountability systems for its property (see also sec. 205 (b)), (2) to survey its property continuously to determine which is excess to its needs and promptly report excess property to the Administrator, (3) to care for such excess property, and (4) transfer or dispose of such property in accordance with authority delegated and regulations prescribed by the Administrator.

(c) *Responsibility of executive agencies to use property.*—This subsection similarly imposes upon each executive agency the responsibility in the first instance, to reassign property among activities within such agency, to transfer its excess property to other agencies, and to obtain for its use property which is excess to the needs of other agencies.

(d) *Transfer of property within Department of Defense.*—This subsection permits the free transfer of excess property among the departments of the Department of Defense under existing provisions of law and procedures defined by the Secretary of Defense.

(e) *Terms for transfer of excess property.*—This subsection generally requires that transfers of excess property between Federal agencies shall be at the fair value thereof as determined by the Administrator of General Services. Exceptions are made in the case of a transfer for general distribution among Federal agencies or for disposal as surplus property or where such transfer without reimbursement is otherwise authorized by recent legislations. "Transfers for redistribution to other Federal agencies" refers to instances where property is turned over to the Bureau of Federal Supply for redistribution rather than transferred direct for the use of another agency. When the redistribution occurs the transfer should be at fair value.

(f) *Transfer of property within an agency.*—Under this subsection transfers of property among activities financed by different appropriations to the same agency must be reported to the Director of the Bureau of the Budget, and, in turn, reported to the Congress.

(g) *Assignment of office and warehouse space.*—This subsection clarifies and strengthens existing law by authorizing the Administrator of General Services to assign and reassign space in excess real property to any Federal agency for office, storage, or related facilities. He may obtain reimbursement for such assignment in the absence of an appropriation available to him therefor. It is expected that operations under this subsection can and should materially lessen the present leasing of space for Government use in private office buildings.

(h) *Abandonment or donation of property.*—This subsection authorizes the abandonment, destruction, or donation to public bodies of property having no commercial value, or of which the estimated cost of continued care and handling would exceed the estimated proceeds from its sale.

DISPOSAL OF SURPLUS PROPERTY

SEC. 203. (a) Except as otherwise provided in this section, the Administrator shall have supervision and direction over the disposition of surplus property. Such property shall be disposed of to such extent, at such time, in such areas, by such agencies, at such terms and conditions, and in such manner, as may be prescribed in or pursuant to this Act.

(b) The care and handling of surplus property, pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

(c) Any executive agency designated or authorized by the Administrator to dispose of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Administrator deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this title.

(d) A deed, bill of sale, lease, or other instrument executed by or on behalf of any executive agency purporting to transfer title or any other interest in surplus property under this title shall be conclusive evidence of compliance with the provisions of this title insofar as concerns title or other interest of any bona fide grantee or transferee for value and without notice of lack of such compliance.

(e) Unless the Administrator shall determine that disposal by advertising will in a given case better protect the public interest, surplus property disposals may be made without regard to any provision of existing law for advertising until 12 o'clock noon, eastern standard time, December 31, 1950.

(f) Subject to regulations of the Administrator, any executive agency may authorize any contractor with such agency or subcontractor thereunder to retain or dispose of any contractor inventory.

(g) The Administrator, in formulating policies with respect to the disposal of surplus agricultural commodities, surplus foods processed from agricultural commodities, and surplus cotton or woolen goods, shall consult with the Secretary of Agriculture. Such policies shall be so formulated as to prevent surplus agricultural commodities, or surplus food processed from agricultural commodities, from being dumped on the market in a disorderly manner and disrupting the market prices for agricultural commodities.

(h) Whenever the Secretary of Agriculture determines such action to be required to assist him in carrying out his responsibilities with respect to price support or stabilization, the Administrator shall transfer without charge to the Department of Agriculture any surplus agricultural commodities, foods, or cotton or woolen goods to be disposed of. Receipts resulting from disposal by the Department of Agriculture under this subsection shall be deposited pursuant to any authority available to the Secretary of Agriculture, except that net proceeds of any sale of surplus property so transferred shall be credited pur-

suant to section 204 (b), when applicable. Surplus farm commodities so transferred shall not be sold, other than for export, in quantities in excess of, or at prices less than, those applicable with respect to sales of such commodities by the Commodity Credit Corporation.

(i) The United States Maritime Commission shall dispose of surplus vessels of one thousand five hundred gross tons or more which the Commission determines to be merchant vessels or capable of conversion to merchant use, and such vessels shall be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended, and other laws authorizing the sale of such vessels.

(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to donate for educational purposes in the States, Territories, and possessions without cost (except for costs of care and handling) such equipment, materials, books, or other supplies under the control of any executive agency as shall have been determined to be surplus property and which shall have been determined under paragraph 2 or paragraph 3 of this subsection to be usable and necessary for educational purposes.

(2) Determination whether such surplus property (except surplus property donated in conformity with paragraph 3 of this subsection) is usable and necessary for educational purposes shall be made by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services to tax-supported school systems, schools, colleges, and universities, and to other nonprofit schools, colleges, and universities which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code, or to State departments of education for distribution to such tax-supported and nonprofit school systems, schools, colleges, and universities; except that in any State where another agency is designated by State law for such purpose such transfer shall be made to said agency for such distribution within the State.

(3) In the case of surplus property under the control of the National Military Establishment, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities that are of special interest to the armed services, such as maritime academies or military, naval, Air Force, or Coast Guard preparatory schools. If such Secretary shall determine that such property is usable and necessary for such purposes, he shall allocate it for transfer by the Administrator to such educational activities. If he shall determine that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph 2 of this subsection.

(k) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Federal Security Administrator for disposal such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Federal Security Administrator as being needed for school, classroom, or other educational use, or for use in the protection of public health, including research.

(A) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for school, class-

room, or other educational use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property, including buildings, fixtures, and equipment situated thereon, for educational purposes to the States and their political subdivisions and instrumentalities, and tax-supported educational institutions, and to other nonprofit educational institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(B) Subject to the disapproval of the Administrator within thirty days after notice to him by the Federal Security Administrator of a proposed transfer of property for public-health use, the Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, may sell or lease such real property for public-health purposes, including research, to the States and their political subdivisions and instrumentalities, and to tax-supported medical institutions, and to hospitals or other similar institutions not operated for profit which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code.

(C) In fixing the sale or lease value of property to be disposed of under subparagraph (A) and subparagraph (B) of this paragraph, the Federal Security Administrator shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or institution.

(D) "States" as used in this subsection includes the District of Columbia and the Territories and possessions of the United States.

(2) Subject to the disapproval of the Administrator within thirty days after notice to him of any action to be taken under this subsection—

(A) The Federal Security Administrator, through such officers or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and tax-supported and other nonprofit educational institutions for school, classroom, or other educational use;

(B) the Federal Security Administrator, through such officer or employees of the Federal Security Agency as he may designate, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions and instrumentalities thereof, tax-supported medical institutions, and to hospitals and other similar institutions not operated for profit, for use in the protection of public health (including research);

(C) the Secretary of the Interior, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park, public recreational area, or historic monument for the benefit of the public; or

(D) the Secretary of Defense, in the case of property transferred pursuant to the Surplus Property Act of 1944, as amended,

to States, political subdivisions, and tax-supported instrumentalities thereof for use in the training and maintenance of civilian components of the armed forces,
is authorized and directed—

(i) to determine and enforce compliance with the terms, conditions, reservations, and restrictions contained in any instrument by which such transfer was made;

(ii) to reform, correct, or amend any such instrument by the execution of a corrective, reformatory, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

(iii) to (I) grant releases from any of the terms, conditions, reservations, and restrictions contained in, and (II) convey, quitclaim, or release to the transferee or other eligible user any right or interest reserved to the United States by, any instrument by which such transfer was made, if he determines that the property so transferred no longer serves the purpose for which it was transferred, and that such release, conveyance, or quitclaim deed will not prevent accomplishment of the purpose for which such property was so transferred: *Provided*, That any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States.

(1) The Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, to determine when title thereto vested in the United States, and to utilize, transfer or otherwise dispose of such property. Former owners of such property upon proper claim filed within three years from the date of vesting of title in the United States shall be paid the proceeds realized from the disposition of such property or, if the property is used or transferred, the fair value therefor as of the time title was vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator.

ANALYSIS

Section 203. Disposal of surplus property

(a) *Responsibility of General Services Administrator.*—This subsection provides that the General Services Administrator shall have supervision and direction over the disposition of property surplus to the needs of the entire Government.

(b) *Care and handling of surplus property.*—This subsection provides that the care and handling of surplus property pending its disposition, and the disposal of surplus property, may be performed by the General Services Administration or any executive agency designated by the Administrator. An agency other than the one in possession, however, cannot be designated to perform care and handling or disposal without its consent.

(c) *Terms of disposal.*—This subsection provides that any agency disposing of surplus property may do so by sale, exchange, lease, permit, or transfer, for cash, credit, or other property, with or without warranty, and may execute such documents for the transfer of the property as may be necessary.

(d) *Title of transferees.*—This subsection is designed to protect the interest of bona fide grantees or transferees. It makes instruments purporting to transfer title or other interest in surplus property under this act, which are executed by an executive agency, conclusive evidence of compliance with the provisions of the act in the absence of notice of defects.

(e) *Advertising for bids.*—This subsection provides that surplus property disposals may be made without regard to provisions of existing law for advertising, unless otherwise determined by the Administrator, until December 31, 1950. Thereafter, advertising and competitive bids will be required in disposing of such amount of surplus property as is not sold by that date.

(f) *Adjustments for contractor inventories.*—This subsection provides that contractors or subcontractors with executive agencies may be authorized to retain or dispose of their contractor inventories.

(g) *Consultation with Secretary of Agriculture.*—This subsection requires the Administrator to consult with the Secretary of Agriculture in formulating policies for the disposal of surplus agricultural commodities, surplus food processed from agricultural commodities, and surplus cotton and woolen goods, and further requires that such policies shall be formulated to prevent surplus agricultural commodities or surplus food products from being dumped on the market in such manner as to disrupt the market prices for agricultural commodities.

(h) *Disposal of agricultural commodities.*—This subsection requires the Administrator to transfer to the Department of Agriculture without charge, any surplus agricultural commodities, foods, or cotton or woolen goods, whenever the Secretary determines it necessary in carrying out his responsibilities with respect to price support or stabilization, and further requires that the receipts from disposals by the Department of Agriculture shall be deposited pursuant to authority available to the Secretary of Agriculture and the net proceeds of sales of property so transferred shall be credited pursuant to the provisions relating to proceeds in section 105 (b). It also provides that, except when sold for export, surplus farm commodities so transferred may not be sold in quantities in excess of or at prices less than those relating to such commodities when sold by the Commodity Credit Corporation.

(i) *Disposal of vessels for merchant use.*—This subsection establishes the United States Maritime Commission as the statutory disposal agency for surplus vessels of 1,500 gross tons or more, which it determines to be merchant vessels or capable of conversion to merchant use. Such vessels are to be disposed of in accordance with the Merchant Marine Act of 1936, as amended, and other laws relating to the sale of such vessels.

(j) *Donations for educational purposes.*—This subsection authorizes the Administrator of General Services, in his discretion, to donate surplus personal property usable and necessary for educational purposes as determined by the Federal Security Administrator, who shall allocate such property on the basis of needs and utilization for transfer by the Administrator of General Services, either direct or through State departments of education, to tax-supported and nonprofit school systems, schools, colleges, and universities. Provision is also made for allocation by the Secretary of Defense, for transfer by the Administrator to educational activities of special interest to the armed services, such as maritime academies or military or naval preparatory schools, of surplus property of the Department of Defense which the Secretary determines to be usable and necessary for such activities. It is expected that the Federal Security Administrator will delegate to the United States Commissioner of Education and Surgeon General of the United States, as the case may be, authority to make determinations and allocations under his general supervision, and that the Secretary of Defense will similarly delegate to an appropriate official his authority under this subsection.

By opinion of August 29, 1949, the Counsel to the General Services Administration Committee for Disposal of Surplus Property for Educational and Health Purposes, held that Sec. 203 (j) vested in the Administrator a discretionary rather than a mandatory authority to donate property for educational and health purposes.

(k) *Transfers of surplus real property for public use.*—(1) Under the Surplus Property Act of 1944, as amended, surplus real property has been transferred for public health and educational purposes subject to a public-benefit allowance to States and political subdivisions thereof and to tax-supported or nonprofit educational and medical institutions which have been held exempt from taxation under section 101 (6) of the Internal Revenue Code. This paragraph authorizes the Administrator in his discretion to assign to the Federal Security Administrator for disposal, subject to disapproval by the Administrator of General Services, to such organizations surplus real property which has been recommended by the Federal Security Administrator as being needed for public health and education.

It further provides that the Federal Security Administrator in fixing the sale or lease value of such property shall take into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any eligible State, political subdivision, instrumentality, or institution.

(2) Under the Surplus Property Act of 1944, as amended, surplus property has been transferred, and under this act will continue to be transferred, to States and political subdivisions thereof, and to tax-supported or nonprofit educational and medical institutions for specified uses, subject to various conditions and reservations. This paragraph would permit the head of the interested Government agency, subject to disapproval by the General Services Administrator, to enforce compliance with such terms, conditions, or reservations; to reform, correct, or amend the instruments of transfer by which such conditions or reservations are imposed; and to grant releases (including conveyances by quitclaim deed, in the case of real estate) from such conditions, reservations, and restrictions to the original transferee or to another eligible user. Such releases are to be conditioned upon findings that the property no longer serves the purpose for which the transfer was made or that release will not prevent accomplishment of the purpose of such transfer, and upon such other conditions as may be necessary to protect or advance the interests of the United States.

(1) *Abandoned property.*—This subsection authorizes the Administrator to take possession of abandoned and other unclaimed property on Government premises, to determine when title thereto vested in the United States, and to utilize transfer or otherwise dispose of such property. Former owners of such property will have 3 years from the date of vesting of title in the United States to file claim and if such claim is found proper, are to be paid the proceeds realized from the disposition of the property, or, if the property is used or transferred, its fair value as of the time title vested in the United States as determined by the Administrator, less in either case the costs incident to the care and handling of such property as determined by the Administrator. It is contemplated that if such property is utilized or transferred its fair value will be paid by the receiving agency in line with the provisions of section 202 (e), and that such amounts and proceeds realized from dispositions will be covered into the Treasury as miscellaneous receipts pursuant to section 204 (a). Under other authority in the act appropriations may be made for payment of any claims presented by the rightful owners.

PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY

SEC. 204. (a) All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts, except as provided in subsections (b), (c), (d), and (e) of this section.

(b) Where the property transferred or disposed of was acquired by the use of funds either not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue or receipts, then the net proceeds of the disposition or transfer shall be credited to the reimbursable fund or appropriation or paid to the Federal agency which determined such property to be excess: *Provided*, That the proceeds shall be credited to miscellaneous receipts in any case when the agency which determined the property to be excess shall deem it uneconomical or impractical to ascertain the amount of net proceeds. As used in this subsection, the term "net proceeds of the disposition or transfer" means the proceeds of the disposition or transfer minus all expenses incurred for care and handling and disposition or transfer.

(c) Any Federal agency disposing of surplus property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

(d) Where any contract entered into by an executive agency or any subcontract under such contract authorizes the proceeds of any sale of property in the custody of the contractor or subcontractor to be credited to the price or cost of the work covered by such contract or subcontract, the proceeds of any such sale shall be credited in accordance with the contract or subcontract.

(e) Any executive agency entitled to receive cash under any contract covering the lease, sale or other disposition of surplus property may in its discretion accept, in lieu of cash, any property determined by the Munitions Board to be strategic or critical material at the prevailing market price thereof at the time the cash payment or payments became or become due.

(f) Where credit has been extended in connection with any disposition of surplus property under this title or by War Assets Administration (or its predecessor agencies) under the Surplus Property Act of 1944, or where such disposition has been by lease or permit, the Administrator shall administer and manage such credit, lease, or permit, and any security therefor, and may enforce, adjust, and settle any right of the Government with respect thereto in such manner and upon such terms as he deems in the best interest of the Government.

ANALYSIS

Section 204. Proceeds from transfer or disposition of property

(a) *Deposit of proceeds into miscellaneous receipts.*—This subsection requires all proceeds from the transfer of excess property to a Federal agency or from

the sale, lease, or other disposition of surplus property to be covered into the Treasury as miscellaneous receipts with the exceptions noted in subsections (b), (c), and (d).

(b) *Crediting of reimbursable funds.*—This subsection provides that in cases where the property was acquired by funds either not appropriated from the general fund of the Treasury, or appropriated therefrom and by law reimbursable from assessments, taxes, or other revenues, the net proceeds of the disposition or transfer of such property shall be credited to the reimbursable fund or appropriation or paid to the Federal agency declaring such property excess. It further provides that the proceeds shall be credited to miscellaneous receipts if the agency declaring the property excess shall deem it uneconomical or impracticable to ascertain the amount of net proceeds.

(c) *Refunds to purchasers.*—This subsection provides that Federal agencies disposing of surplus property may deposit in a special account with the Treasury whatever amounts they deem necessary to permit refunds to purchasers when any disposition is rescinded, or for breaches of warranty, and to withdraw the amounts so to be refunded or paid. Funds received from any specific contract are not earmarked in the special deposit account, but are commingled with all other receipts from sales by the Office of the Foreign Liquidation Commissioner. The language which provides for withdrawal of "amounts, so to be refunded or paid, without regard to the origin of the funds withdrawn" permits refunds to be made from any money remaining in the special deposit account whether or not the money collected under the particular contract remains in the special deposit account or has been transferred to general fund revenues as miscellaneous receipts.

(d) *Proceeds from contractors' sales.*—This subsection recognizes that the contractual provisions authorizing the proceeds of sales or property to be credited to price or cost of the work covered by the contract, are controlling and are not subject to the requirements of the act relating to covering proceeds into the Treasury as miscellaneous receipts.

(e) Subsection 204 (e) is intended to permit any executive agency to accept on a projected basis strategic or critical material, as determined by the Munitions Board, in lieu of cash, in payment of amounts due the Government for rent, interest, or principal installments under leases or sales of surplus property.

The price to be allowed in computing the value of the strategic or critical material, shall be the prevailing market price thereof at the time the cash payment or payments become or became due.

(f) *Management of credit and security.*—This subsection makes it clear that the Administrator is authorized to administer and manage any credit, lease, or permit, and security therefor, taken in connection with the disposition of surplus property, and authorizes him to enforce, or suitably adjust, or settle the rights of the Government with respect thereto, as he considers in the best interests of the Government.

POLICIES, REGULATIONS, AND DELEGATIONS

SEC. 205. (a) The President may prescribe such policies and directives, not inconsistent with the provisions of this Act, as he shall deem necessary to effectuate the provisions of this Act, which policies and directives shall govern the Administrator and executive agencies in carrying out their respective functions hereunder.

(b) The Comptroller General after considering the needs and requirements of the executive agencies shall prescribe principles and standards of accounting for property, cooperate with the Administrator and with the executive agencies in the development of property accounting systems, and approve such systems when deemed to be adequate and in conformity with prescribed principles and standards. From time to time the General Accounting Office shall examine such property accounting systems as are established by the executive agencies to determine the extent of compliance with prescribed principles and standards and approved systems, and the Comptroller General shall report to the Congress any failure to comply with such principles and standards or to adequately account for property.

(c) The Administrator shall prescribe such regulations as he deems necessary to effectuate his functions under this Act, and the head of each executive agency shall cause to be issued such orders and directives as such head deems necessary to carry out such regulations.

(d) The Administrator is authorized to delegate and to authorize successive redelegation of any authority transferred to or vested in him by this Act (except for the authority to issue regulations on matters of policy having application to executive agencies, the authority contained in section 106, and except as otherwise provided in this Act) to any official in the General Services Administration or to the head of any other Federal agency.

(e) With respect to any function transferred to or vested in the General Services Administration or the Administrator by this Act, the Administrator may (1) direct the undertaking of its performance by the General Services Administration or by any constituent organization therein which he may designate or establish; or (2) designate and authorize any executive agency to perform such function for itself; or (3) designate and authorize any other executive agency to perform such function; or (4) provide for such performance by any combination of the foregoing methods. Any designation or assignment of functions or delegation of authority to another executive agency under this section shall be made only with the consent of the executive agency concerned or upon direction of the President.

(f) When any executive agency (including the General Services Administration and constituent organizations thereof) is authorized and directed by the Administrator to carry out any function under this Act, the Administrator may, with the approval of the Director of the Bureau of the Budget, provide for the transfer of appropriate personnel, records, property, and allocated funds of the General Services Administration, or of such other executive agency as has theretofore carried out such function, to the executive agency so authorized and directed.

SURVEYS, STANDARDIZATION AND CATALOGING

SEC. 206. (a) As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the executive agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense, the Administrator is authorized (1) to make surveys of Government property and property management practices and obtain reports thereon from executive agencies; (2) to cooperate with executive agencies in the establishment of reasonable inventory levels for property stocked by them and from time to time report any excessive stocking to the Congress and to the Director of the Bureau of the Budget; (3) to establish and maintain such uniform Federal supply catalog system as may be appropriate to identify and classify personal property under the control of Federal agencies: *Provided*, That the Administrator and the Secretary of Defense shall coordinate the cataloging activities of the General Services Administration and the National Military Establishment so as to avoid unnecessary duplication; and (4) to prescribe standardized forms and procedures, except such as the Comptroller General is authorized by law to prescribe, and standard purchase specifications.

(b) Each Federal agency shall utilize such uniform Federal supply catalog system and standard purchase specifications, except-as the Administrator, taking into consideration efficiency, economy, and other interests of the Government, shall otherwise provide.

(c) The General Accounting Office shall audit all types of property accounts and transactions at such times and in such manner as determined by the Comptroller General. Such audit shall be conducted as far as practicable at the place or places where the property or records of the executive agencies are kept and shall include but not necessarily be limited to an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of accountability for Government-owned or controlled property based upon generally accepted principles of auditing.

ANALYSIS

Section 206. Surveys and standardization

(a) *Surveys, supply catalog, and contract forms.*—This subsection authorizes the Administrator to survey Government property and property management practices, to cooperate with executive agencies in the establishment of reasonable inventory levels and report excessive stocking to the Congress and the Budget Bureau, to establish and maintain a uniform Federal supply catalog system, and to prescribe standardized purchase and contract forms, procedures, and specifications. Making surveys, requiring reports concerning Government property, and establishing inventory levels, with due regard for the requirements of agencies concerned, will obviously promote better supply and property management practices, and indeed performance of these functions is indispensable if the powers under sections 201 and 202 are to be effectively exercised. The Administrator's reports on excessive stocking will enable the Appropriations Committees and Budget Bureau examiners to make suitable reductions in appropriations and estimates. By opinion of July 21, 1949, the Counsel to the General Services Administration Committee on Policies and Procedures held that the requirement that the Administrator make surveys of Government property and property management practices is not limited to personal property but includes both real and personal with the exceptions specified in the definition of the word "property" con-

tained in section 3 of the Act. The authority to standardize Government purchase and contract forms, procedures, and specifications has been in effect and in use for many years and is demanded by industry to make its relations with Government easier. It is confusing and costly, for example, to have a contract with terms, forms, and conditions for a supply item with one agency differing in meaning and effect from one for the same kind of item with another agency. The committee expects that the Administrator will receive the full cooperation of executive agencies in connection with the development and preparation of standardized forms and standard purchase specifications. Existing control over the standardization of the Government construction contract forms and leases is continued in effect by provision in section 502 (b).

A uniform Federal supply catalog system, which identifies and classifies personal property under the control of Federal agencies, is essential for a well-managed Federal supply system so that there may be a common supply language among all parties to a transaction. The catalog will ultimately mean large savings to the Government through reducing inventories of parts and supplies. Without such a catalog, identical items are carried in stock under different designations, swelling inventories to needless size. This cannot be avoided until each item is described, classified, and given a number for identification, so that duplications can be spotted at once. The disposal of surplus Government personal property will thus likewise be speeded. Provision is made for coordinating catalog activities with those of the National Military Establishment.

This subsection makes it clear that the Department of Defense and the Bureau of Federal Supply will continue to cooperate toward the development of a Federal catalog system, as requested by the President, in accordance with the agreement (appendix A) signed by them. It is the intention of Congress that the project should be pressed to completion with all possible speed.

(b) *Catalog and specifications mandatory.*—Due to the savings resulting from common use of the uniform supply catalog system and of standard purchase specifications, this subsection requires Federal agencies to use them, when prescribed by the Administrator, except as he shall otherwise provide. Thus the use of the cataloging system is made mandatory by the Federal agencies, and not merely within the discretion of the head of any such agency or agencies.

(c) *Audit of property accounts.*—This subsection requires the General Accounting Office to audit all types of property accounts and transactions, such audit to be conducted when practicable at the site of the property or where records of the executive agencies are kept, and include but not limited to, an evaluation of the effectiveness of internal controls and audits, and a general audit of the discharge of the duty to account for property.

CIVIL REMEDIES AND PENALTIES

SEC. 209. (a) Where any property is transferred or disposed of in accordance with this Act and any regulations prescribed hereunder, no officer or employee of the Government shall (1) be liable with respect to such transfer or disposition except for his own fraud, or (2) be accountable for the collection of any purchase price for such property which is determined to be uncollectible by the Federal agency responsible therefor.

(b) Every person who shall use or engage in, or cause to be used or engaged in, or enter into an agreement, combination, or conspiracy to use or engage in or to cause to be used or engaged in, any fraudulent trick, scheme, or device, for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any payment, property, or other benefits from the United States or any Federal agency in connection with the procurement, transfer, or disposition of property hereunder—

(1) shall pay to the United States the sum of \$2,000 for each such act, and double the amount of any damage which the United States may have sustained by reason thereof, together with the cost of suit; or

(2) shall, if the United States shall so elect, pay to the United States, as liquidated damages, a sum equal to twice the consideration agreed to be given by the United States or any Federal agency to such person or by such person to the United States or any Federal agency, as the case may be; or

(3) shall, if the United States shall so elect, restore to the United States the money or property thus secured and obtained and the United States shall retain as liquidated damages any property, money, or other consideration given to the United States or any Federal agency for such money or property, as the case may be.

(c) The several district courts of the United States, the District Court of the United States for the District of Columbia, and the several district courts of the Territories and possessions of the United States, within whose jurisdictional limits the person, or persons, doing or committing such act, or any one of them, resides or shall be found, shall wheresoever such act may have been done or committed, have full power and jurisdiction to hear, try, and determine such suit, and such person or persons as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct.

(d) The civil remedies provided in this section shall be in addition to all other criminal penalties and civil remedies provided by law.

ANALYSIS

Section 209. Civil remedies and penalties

(a) *Liability of Government employees.*—This subsection exempts officers and employees of the Government disposing of property under this act from liability with respect to such disposition, except for their own fraud, and from liability for the collection of any purchase price determined to be uncollectible. This provision is necessary because of the wide discretion which must be permitted

persons charged with disposition under circumstances calling for swift action, and the tremendous volume of property covered by the act.

(b) *Civil penalties for fraud.*—This subsection deals with the civil liability of persons who engage in false, fraudulent, or fictitious activities or conceal or misrepresent material facts, or act with intent to defraud the United States, or who enter into an agreement or conspiracy, or cause other persons to do any of the foregoing. The United States is given the option of selecting among three different measures of damages—

1. Any person engaged in such activities can be sued for the sum of \$2,000 for each such act, plus twice the amount of the damage sustained by the United States, plus the cost of suit.

2. The United States may recover from such person the amount of consideration paid by it to such person, or twice the amount of consideration which such person agreed to give the United States.

3. The United States may keep the property acquired by reason of the above-described fraud, plus the consideration given to it for that property.

APPLICATION AND PROCUREMENT METHODS

SEC. 302. (a) The provisions of this title shall be applicable to purchases and contracts for supplies or services made—

(1) by the General Services Administration for the use of such agency or otherwise; and

(2) by any other executive agency (except any agency named in section 2 (a) of the Armed Services Procurement Act of 1947), to the extent of and in conformity with authority delegated by the Administrator pursuant to the provisions of this subsection. The Administrator may delegate to the head of any other such agency authority to make purchases and contracts for supplies or services pursuant to the provisions of this title (A) for the use of two or more executive agencies or (B) in other cases upon a determination by the Administrator that by reason of circumstances set forth in such determination such delegation is advantageous to the Government in terms of economy, efficiency, or national security. Notice of every such delegation of authority so made shall be furnished to the General Accounting Office.

(b) It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. Whenever it is proposed to make a contract or purchase in excess of \$10,000 by negotiation and without advertising, pursuant to the authority of paragraph (7) or (8) of section 302 (c) of this title, suitable advance publicity, as determined by the agency head with due regard to the type of supplies involved and other relevant considerations, shall be given for a period of at least fifteen days, wherever practicable, as determined by the agency head.

(c) All purchases and contracts for supplies and services shall be made by advertising, as provided in section 303, except that such purchases and contracts may be negotiated by the agency head without advertising if—

(1) determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress;

(2) the public exigency will not admit of the delay incident to advertising;

(3) the aggregate amount involved does not exceed \$1,000: *Provided*, That no agency other than the General Services Administration shall make any purchase of, or contract for, supplies or services in excess of \$500 under this paragraph except in the exercise of authority conferred by the Administrator to procure and furnish supplies and services for the use of two or more executive agencies;

(4) for personal or professional services;

(5) for any service to be rendered by any university, college, or other educational institution;

(6) the supplies or services are to be procured and used outside the limits of the United States and its possessions;

(7) for medicines or medical supplies;

(8) for supplies purchased for authorized resale;

(9) for supplies or services for which it is impracticable to secure competition;

(10) the agency head determines that the purchase or contract is for experimental, developmental, or research work, or for the manufacture or furnishing of supplies for experimentation, development, research, or test: *Provided*, That beginning six months after the effective date of this title and at the end of each six-month period thereafter, there shall be furnished to the Congress a report setting forth the name of each contractor with whom a contract has been entered into pursuant to this paragraph (10) since the date of the last such report, the amount of the contract, and, with due consideration given to the national security, a description of the work required to be performed thereunder;

(11) for supplies or services as to which the agency head determines that the character, ingredients, or components thereof are such that the purchase or contract should not be publicly disclosed;

(12) for equipment which the agency head determines to be technical equipment, and as to which he determines that the procurement thereof without advertising is necessary in special situations or in particular localities in order to assure standardization of equipment and interchangeability of parts and that such standardization and interchangeability is necessary in the public interest;

(13) for supplies or services as to which the agency head determines that bid prices after advertising therefor are not reasonable (either as to all or as to some part of the requirements) or have not been independently arrived at in open competition: *Provided*, That no negotiated purchase or contract may be entered into under this paragraph after the rejection of all or some of the bids received unless (A) notification of the intention to negotiate and reasonable opportunity to negotiate shall have been given by the agency head to each responsible bidder and (B) the negotiated price is the lowest negotiated price offered by any responsible supplier; or

(14) otherwise authorized by law.

(d) If in the opinion of the agency head bids received after advertising evidence any violation of the antitrust laws he shall refer such bids to the Attorney General for appropriate action.

(e) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by the provisions of paragraph (1), (2), (3), (9), (10), (11), or (13) of subsection (c) of this section.

ANALYSIS

Section 302. Application and procurement methods

(a) This subsection makes the provisions of title III applicable to purchases and contracts for supplies or services made by the General Services Administration either for its own use or otherwise, including centralized procurement.

By delegation the Administrator may authorize any other civilian executive agency to use the procedure set forth in title III when such agency is designated to perform a central procurement function. In addition, authority to use the procedures set forth in title III may be delegated by the Administrator to another civilian executive agency in other cases where the Administrator determines that such delegation is advantageous to the Government in terms of economy, efficiency, or national security. It is required that the Administrator's determination in such other cases set forth the circumstances upon which the determination is based. The terms "economy" and "efficiency" will be broad enough to cover cases where authority is delegated to negotiate contracts under 302 (c) (5) and 302 (c) (10) of this title. This title does not confer upon any civilian executive agency any vested right to receive such delegation. It is expected that such power of delegation will not be exercised indiscriminately but rather will be used with care and discretion. It is also expected that the Administrator will make periodic reviews to determine whether the authority so delegated has been properly used, and that he will either take such action as may be necessary to correct any misuse or will withdraw the delegation. After the Administrator has made such delegation he shall give notice thereof to the General Accounting Office.

(b) This subsection states the policy that a fair proportion of the total purchases and contracts shall be placed with small business concerns and further provides that notice of intent to negotiate shall be published in certain cases.

(c) Initially, this subsection reaffirms the basic principle that purchases and contracts shall be made by advertising. Negotiation is made permissible in certain excepted cases, however, to provide flexibility in Government procurement.

(1) This paragraph would permit automatic and immediate transition from more rigid peacetime advertising procedures to a completely flexible system if the President or the Congress declares the existence of a national emergency.

(2) This provision is an adaptation of a portion of section 3709 of the Revised Statutes as amended by section 9 (a) of the act of August 2, 1946 (60 Stat. 809; 41 U. S. C. 5). Whenever urgency requires an immediate purchase this exception would be available irrespective of whether the emergency could or should have been foreseen.

(3) This paragraph extends to the General Services Administration the power to negotiate if the aggregate amount involved does not exceed \$1,000. However, no delegation of such authority may be made to other executive agencies under this paragraph for purchases or contracts for supplies or services in excess of \$500 unless such purchasing or contracting is for centralized procurement.

(4) The provision permitting negotiation for personal or professional services is an adaptation of the exception from advertising provided by section 3709 of the Revised Statutes, as amended, hereinabove referred to.

(5) This paragraph would permit negotiation of contracts for technical assistance, expert study, and the application of specialized knowledge to be performed by any university, college, or other educational institution. This would cover matters which might not clearly qualify as experimental, developmental, or research work under paragraph (10) of this section.

(6) Under this paragraph if supplies or services are to be procured and used outside the limits of the United States and its possessions the contracts or purchases may be negotiated. In such cases it is frequently impracticable or uneconomical to advertise.

(7) Due to the technical nature, special characteristics, and differing qualities of medicines and medical supplies it is sometimes extremely difficult if not impossible to describe adequately in detailed specifications the exact characteristics of qualities needed. In such cases the need for negotiation is clear.

(8) Where supplies are purchased for authorized resale, the purchasing agency must accommodate the brand preference or the quality preference of the organization requesting the purchase. This paragraph therefore provides authority to negotiate such purchases.

(9) This paragraph provides for negotiation where it is impracticable to secure competition and places upon the agency concerned the maximum responsibility for decisions as to when it is impracticable. It is intended that this paragraph should be construed liberally.

(10) The very nature of a research and development contract does not ordinarily lend itself to formal advertising. This paragraph therefore provides that contracts for experimental, developmental, or research work or for the manufacture or furnishing of supplies for experimentation, development, re-

search, or test may be negotiated and provides also for periodic reports to the Congress of action taken under this paragraph.

(11) It is provided that in cases where the purchase or contract should not be publicly disclosed negotiation may be employed. In such cases public disclosure through advertising would clearly be adverse to the interests of the Government.

(12) This paragraph permits negotiation of contracts for technical equipment in order to assure standardization of equipment and interchangeability of parts when such standardization and interchangeability is necessary in the public interest. It is intended that this authority should be used in special situations or in particular localities and such provision has been therefore added to the language as it appears in section 2 (c) (13) of the Armed Services Procurement Act of 1947. The paragraph would protect in every way possible the principles of competition and antimonopoly consistent with the occasional need for such standardization, and section 307 (b) of this title provides that the agency head may not delegate his responsibility for making any of the determinations required under this paragraph.

(13) Permits negotiation for supplies or services when it is determined that bid prices after advertising are not reasonable either as to all or some part of the requirements or have not been independently arrived at in open competition. It is designed to cope with cases including those where all bids received are too high, although not actually identical or apparently collusive. The committee believes that this paragraph will be most useful to break collusive bidding, follow-the-leader pricing, rotated low bids, identical bids requiring drawing of lots, uniform estimating systems, refusal to classify the Government as other than a retail buyer regardless of the quantity purchased, and similar other practices. Notification of the intention to negotiate after such advertising and reasonable opportunity to negotiate must be given to each responsible bidder and also the negotiated price must be the lowest negotiated price offered by any responsible supplier. This paragraph is a modification of paragraph 2 (c) (15) of the Armed Services Procurement Act of 1947. The modification will remove a restriction which in cases such as sudden upward market fluctuations might make it impossible to secure the needed supplies.

(14) This provision would preserve the authority to negotiate contracts conferred by other permanent legislation, for example, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596; 50 U. S. C. 98-98h). This paragraph also has the effect of permitting negotiation under any relevant law which may be subsequently enacted whether said law is general or special legislation.

(d) The immediate furnishing of evidence of possible violations of the anti-trust laws to the Department of Justice as required by this subsection will facilitate appropriate action where violations exist and will have a valuable moral effect on bidders. Compliance with this paragraph is not to be construed, however, as a condition precedent before exercise of the authority conferred by this title.

(e) For clarity this subsection provides that section 302 does not authorize or change the existing requirements for authorization for the erection or repair of buildings, roads, sidewalks, or similar items.

ADVERTISING REQUIREMENTS

SEC. 303. Whenever advertising is required—

(a) The advertisement for bids shall be made a sufficient time previous to the purchase or contract, and specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the agency concerned.

(b) All bids shall be publicly opened at the time and place stated in the advertisement. Award shall be made with reasonable promptness by written notice to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that it is in the public interest so to do.

ANALYSIS

Section 303. Advertising requirements

(a) This section would establish broad standards for advertising, reserving appropriate discretion in the agency. It is considered both unnecessary and unwise to prescribe detailed and restrictive requirements, and it is believed that such matters should be left to be dealt with by regulation. This section provides that advertising shall be so conducted as to secure such full and free competition as is consistent with the procurement of types of supplies and services needed.

(b) This subsection provides for the public opening of bids and reaffirms the principles that the award shall be made to the responsible bidder whose bid is most advantageous to the Government, price and other factors considered, and that the Government may reject all bids when such action is deemed advisable. The question as to whether a particular bidder is a responsible bidder requires sound business judgment and involves evaluation of the bidder's experience, facilities, technical organization, reputation, financial resources, and other factors and a broad discretion is accordingly reserved to the agency with respect to the making of such determination.

REQUIREMENTS OF NEGOTIATED CONTRACTS

SEC. 304. (a) Except as provided in subsection (b) of this section, contracts negotiated pursuant to section 302 (c) may be of any type which in the opinion of the agency head will promote the best interests of the Government. Every contract negotiated pursuant to section 302 (c) shall contain a suitable warranty, as determined by the agency head, by the contractor that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business, for the breach or violation of which warranty the Government shall have the right to annul such contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

(b) The cost-plus-a-percentage-of-cost system of contracting shall not be used, and in the case of a cost-plus-a-fixed-fee contract the fee shall not exceed 10 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the agency head at the time of entering into such contract (except that a fee not in excess of 15 per centum of such estimated cost is authorized in any such contract for experimental, developmental, or research work and that a fee inclusive of the contractor's costs and not in excess of 6 per centum of the estimated cost, exclusive of fees, as determined by the agency head at the time of entering into the contract, of the project to which such fee is applicable is authorized in contracts for architectural or engineering services relating to any public works or utility project). Neither a cost nor a cost-plus-a-fixed-fee contract nor an incentive-type contract shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure supplies or services of the kind or quality required without the use of a cost or cost-plus-a-fixed-fee contract or an incentive-type contract. All cost and cost-plus-a-fixed-fee contracts shall provide for advance notification by the contractor to the procuring agency of any subcontract thereunder on a cost-plus-a-fixed-fee basis and of any fixed-price subcontract or purchase order which exceeds in dollar amount either \$25,000 or 5 per centum of the total estimated cost of the prime contract; and a procuring agency, through any authorized representative thereof, shall have the right to inspect the plans and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a cost or cost-plus-a-fixed-fee contract.

ANALYSIS*Section 304. Requirements of negotiated contracts*

(a) The right to use the most suitable type of contract is a necessary and inseparable adjunct to the right to negotiate and this subsection therefore permits negotiated contracts to be of any type which in the opinion of the agency head will promote the best interests of the Government, except as provided in subsection (b). Authority to negotiate contracts in the first instance carries with it equal authority to negotiate subsequent changes in the terms of

WAIVER OF LIQUIDATED DAMAGES

SEC. 306. Whenever any contract made on behalf of the Government by the agency head or by officers authorized by him so to do includes a provision for liquidated damages for delay, the Comptroller General on the recommendation of the agency head is authorized and empowered to remit the whole or any part of such damages as in his discretion may be just and equitable.

ANALYSIS

Section 306. Waiver of liquidated damages

This section permits the Comptroller General, in his discretion, upon proper recommendation by the agency concerned, to remit sums due the Government under contract terms providing for the assessment of liquidated damages for a delay in performance. This will permit the Comptroller General to meet those situations in which the strict application of the liquidated damages provisions would be inequitable either in whole or in part and regardless of whether timely notice is given with respect to the delay.

ADMINISTRATIVE DETERMINATIONS AND DELEGATIONS

SEC. 307. (a) The determinations and decisions provided in this title to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts, and shall be final. Except as provided in subsection (b) of this section, the agency head is authorized to delegate his powers provided by this title, including the making of such determinations and decisions, in his discretion and subject to his direction, to any other officer or officers or officials of the agency.

(b) The power of the agency head to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c) and in section 305 (a) shall not be delegable, and the power to make the determinations or decisions specified in paragraph (10) of section 302 (c) shall be delegable only to a chief officer responsible for procurement and only with respect to contracts which will not require the expenditure of more than \$25,000. The power of the Administrator to make the delegations and determinations specified in section 302 (a) shall be delegable only to the Deputy Administrator or to the chief official of any principal organizational unit of the General Services Administration.

(c) Each determination or decision required by paragraphs (10), (11), (12), or (13) of section 302 (c), by section 304 or by section 305 (a) shall be based upon written findings made by the official making such determination, which findings shall be final and shall be available within the agency for a period of at least six years following the date of the determination. A copy of the findings shall be submitted to the General Accounting Office with the contract.

(d) In any case where any purchase or contract is negotiated pursuant to the provisions of section 302 (c), except in a case covered by paragraphs (2), (3), (4), (5), or (6) thereof, the data with respect to the negotiation shall be preserved in the files of the agency for a period of six years following final payment on such contract.

ANALYSIS

Section 307. Administrative determinations and delegations

(a) This subsection provides that the determinations and decisions to be made by the Administrator or other agency head may be made with respect to individual purchases and contracts or with respect to classes of purchases or contracts and that such determinations and decisions shall be final. It allows delegation by the agency head except in those cases designated in subsection (b) of this section. The determinations and decisions so made will not be made subject to invalidation or challenge by the Comptroller General or the courts. However, the broader the power or the more important the decision or determination, the higher the level at which the decision or determination will be made.

(b) This subsection prohibits the agency head from delegating the power to make the determinations or decisions specified in paragraphs (11) and (12) of section 302 (c), which concern, respectively, contracts which should not be publicly disclosed and standardization of technical equipment and in section 305 (a), concerning the making of advance payments. This subsection also restricts the power of the agency head to make the decision or determinations specified in paragraph (10) of section 302 (c) which concerns experimental, developmental, or research contracts. Furthermore, under this subsection the Administrator's power to delegate to another civilian executive agency the right to use the author-

ity provided under title III can be delegated by the Administrator only to the Deputy Administrator of the General Services Administration or to the chief official of any principal constituent agency of the General Services Administration. It is believed that such power to confer authority upon another civilian agency should be exercised only at a high level within the General Services Administration.

(c) As a further safeguard this subsection requires that determinations or decisions concerning research and development contracts, contracts which should not be publicly disclosed, standardization of technical equipment, and negotiation after advertising, the type of contract to be used and the making of advance payments shall be based upon written findings, that these findings shall be final, and shall be available within the agency for at least 6 years after making such determination. Furthermore, it provides that a copy of the findings shall be furnished to the General Accounting Office with the contract.

(d) Data with respect to negotiation is required to be preserved in the agency for 6 years following final payment on the contract except where negotiation is pursuant to public exigency, a dollar amount, for personal or professional services, for services to be rendered by an educational institution, or for supplies or services which are to be purchased and used outside the limits of the United States or its possessions.

STATUTES CONTINUED IN EFFECT

SEC. 308. No purchase or contract shall be exempt from the Act of June 30, 1936 (49 Stat. 2036, as amended; 41 U. S. C. 35 to 45), or from the Act of March 3, 1931 (46 Stat. 1494, as amended; 40 U. S. C. 276a to 276a-6), solely by reason of having been entered into pursuant to section 302 (c) hereof without advertising, and the provisions of said Acts and of the Act of June 19, 1912 (37 Stat. 137, as amended; 40 U. S. C. 324 and 325a), if otherwise applicable, shall apply to such purchases and contracts.

ANALYSIS

Section 308. Statutes continued in effect

This section provides that contracts executed under this title shall not be exempt from the provisions of the Walsh-Healey Act, the Davis-Bacon Act, or the 8-hour law by reason of their having been entered into by negotiation.

DEFINITIONS

SEC. 309. As used in this title—

(a) The term “agency head” shall mean the head or any assistant head of any executive agency, and may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration.

(b) The term “supplies” shall mean all property except land, and shall include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, and vessels of every character, type and description (except the categories of naval vessels named in section 3 (d)), aircraft, parts, accessories, equipment, machine tools and alteration or installation thereof.

ANALYSIS*Section 309. Definitions*

(a) This subsection defines the term “agency head” as used in title III to mean the head or an assistant head of any executive agency, and provides that the term may at the option of the Administrator include the chief official of any principal organizational unit of the General Services Administration. This is deemed salutary in order to reserve the power of determination and decision at an adequately high level, and at the same time to designate the officials intended to be covered.

(b) This subsection defines supplies to include all property except land, and to include, by way of description and without limitation, public works, buildings, facilities, ships, floating equipment, vessels, aircraft, parts, accessories, equipment, machine tools, and alteration or installation thereof. These illustrations are intended only as examples and the committee has attempted to meet present and future contingencies.

STATUTES NOT APPLICABLE

SEC. 310. The following provisions of law shall not apply to the procurement of supplies or services (1) by the General Services Administration, or (2) within the scope of authority delegated by the Administrator to any other executive agency:

Revised Statutes, section 3709, as amended (41 U. S. C. 5);

Revised Statutes, section 3735 (41 U. S. C. 13);

Sections 1 and 2 of the Act of October 10, 1940 (54 Stat. 1109, as amended; 41 U. S. C. 6 and 6a).

ANALYSIS

Section 310. Statutes not applicable

This section provides that the following acts shall not be applicable to the procurement of supplies or services by the General Services Administration:

Revised Statutes, section 3709, as amended, which concerns formal advertising;

Revised Statutes, section 3735, which prohibits the making of contracts for "stationery or other supplies" for more than 1 year; and

Sections 1 and 2 of the act of October 10, 1940, which set forth certain specific exemptions from Revised Statutes, section 3709, which are not in harmony with this title.

These statutes would also be suspended for procurement made by another civilian executive agency, under proper delegation of authority made by the Administrator and solely within the scope of that authority, and such suspension would be limited to the extent and within the purview of the authority thus delegated.

TITLE IV—FOREIGN EXCESS PROPERTY

DISPOSAL OF FOREIGN EXCESS PROPERTY

SEC. 401. Each executive agency having foreign excess property shall be responsible for the disposal thereof: *Provided*, That (a) the head of each such executive agency shall, with respect to the disposition of such property, conform to the foreign policy of the United States; (b) the Secretary of State shall have the authority to use foreign currencies and credits acquired by the United States under section 402 (b) of this Act in order to effectuate the purposes of section 32 (b) (2) of the Surplus Property Act of 1944, as amended, and the Foreign Service Buildings Act of May 7, 1926, as amended (including Public Law 547, Seventy-ninth Congress (60 Stat. 663)), and for the purpose of paying any other governmental expenses payable in local currencies, and the authority to amend, modify, and renew agreements in effect on the effective date of this Act; (c) any foreign currencies or credits acquired by the Department of State pursuant to such agreements shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts; and (d) the Department of State shall, except to such extent as the President shall otherwise determine, continue to perform other functions with respect to agreements for the disposal of foreign excess property in effect on the effective date of this Act.

ANALYSIS

TITLE IV. FOREIGN EXCESS PROPERTY

Section 401. Disposal of foreign excess property

This section generally provides that, except where commitments exist under previous agreements, all excess property located in foreign areas shall be disposed of by the owning agency. The head of the agency in question is directed to conform to the foreign policy of the United States in making such disposals. The section provides further that the Secretary of State shall continue to administer existing agreements with respect to the disposal of foreign excess property and shall have authority to amend, modify, and renew such agreements in order to carry on the foreign educational exchange program and the purposes of the Foreign Service Buildings Act and to provide local currencies under procedures established by the Secretary of the Treasury for the payment of expenses of the United States in the country in question.

METHODS AND TERMS OF DISPOSAL

SEC. 402. Foreign excess property may be disposed of (a) by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper; but in no event shall any property be sold without a condition forbidding its importation into the United States, unless the Secretary of Agriculture (in the case of any agricultural commodity, food, or cotton or woolen goods) or the Secretary of Commerce (in the case of any other property) determines that the importation of such property would relieve domestic shortages or otherwise be beneficial to the economy of this country, or (b) for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Such property may be disposed of without advertising when the head of the executive agency concerned finds so doing to be most practicable and to be advantageous to the Government. The head of each executive agency responsible for the disposal of foreign excess property may execute such documents for the transfer of title or other interest in property and take such other action as he deems necessary or proper to dispose of such property; and may authorize the abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds from its sale.

ANALYSIS

Section 402. Methods and terms of disposal

This section authorizes disposals of foreign excess property under terms similar to those in the Surplus Property Act of 1944, as amended, under which foreign disposals are currently being made. Foreign excess property may be disposed of by sale, exchange, lease, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the head of the executive agency concerned deems proper. Such property may be disposed of for foreign currencies or credits, or substantial benefits or the discharge of claims resulting from the compromise or settlement of such claims by any executive agency in accordance with the law, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. Disposals may be made without advertising when the head of the executive agency finds such a course to be most practicable and to be most advantageous to the Government. Sales of agricultural commodities, food, or cotton or woolen goods must include a condition forbidding importation into the United States unless the Secretary of Agriculture determines that such property is in short supply in this country. The head of the executive agency responsible for disposal may execute the documents necessary to transfer the interest of the United States in the property and may authorize abandonment, destruction, or donation of foreign excess property under his control which has no commercial value or the estimated cost of care and handling of which would exceed the estimated proceeds of sale.

PROCEEDS, FOREIGN CURRENCIES

SEC. 403. Proceeds from the sale, lease, or other disposition of foreign excess property, (a) shall, if in the form of foreign currencies or credits, be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury, and (b) shall, if in United States currency, or when any proceeds in foreign currencies or credits shall be reduced to United States currency, be covered into the Treasury as miscellaneous receipts: *Provided*, That the provisions of section 204 (b) (which by their terms apply to property disposed of under title II) shall be applicable to proceeds of foreign excess property disposed of for United States currency under this title IV: *And provided further*, That any executive agency disposing of foreign excess property under this title (1) may deposit, in a special account with the Treasurer of the United States, such amount of the proceeds of such dispositions as it deems necessary to permit appropriate refunds to purchasers when any disposition is rescinded or does not become final, or payments for breach of any warranty, and (2) may withdraw therefrom amounts so to be refunded or paid, without regard to the origin of the funds withdrawn.

ANALYSIS

Section 403. Proceeds; foreign currencies

This section provides that the proceeds from sales of foreign excess property shall, if in the form of foreign currencies or credits, be administered in accordance with procedures prescribed by the Secretary of the Treasury and shall, if in United States currency or when reduced to United States currency, be covered into the Treasury as miscellaneous receipts. The provisions of section 204 (b) relating to reimbursable funds or appropriations shall apply to proceeds of foreign excess property under this title. The section further provides that any executive agency disposing of surplus property under this title may establish a special account with the Treasurer of the United States from which appropriate refunds to purchasers may be made.

MISCELLANEOUS PROVISIONS

SEC. 404. (a) The President may prescribe such policies, not inconsistent with the provisions of this title, as he shall deem necessary to effectuate the provisions of this title, which provisions shall guide each executive agency in carrying out its functions hereunder.

(b) Any authority conferred upon any executive agency or the head thereof by the provisions of this title may be delegated, and successive redelegation thereof may be authorized, by such head to any official in such agency or to the head of any other executive agency.

(c) The head of each executive agency responsible for the disposal of foreign excess property hereunder may, as may be necessary to carry out his functions under this title, (1) subject to the civil-service and classification laws, appoint and fix the compensation of personnel, and (2) without regard to the civil-service and classification laws, appoint and fix the compensation of personnel outside the continental limits of the United States.

(d) The head of each executive agency responsible for the disposal of foreign excess property under this title shall submit a report to Congress in January of each year or at such other time or times as he may deem desirable relative to its activities under this title, together with any appropriate recommendations.

(e) There shall be transferred from the Department of State to each other executive agency affected by this title such records, property, personnel, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds, available or to be made available, as the Director of the Bureau of the Budget shall determine to relate to functions of such agency under this title which have heretofore been administered by the Department of State.

ANALYSIS

Section 404. Miscellaneous provisions

(a) *Presidential policies.*—The President is granted general authority to prescribe policies deemed necessary to execute the provisions of this title.

(b) *Delegation of authority.*—Any authority conferred upon any executive agency under this title may be delegated and successive redelegations authorized by the head of such agency to any official in such agency or to the head of another executive agency.

(c) *Employment of personnel.*—The head of each executive agency responsible for the disposal of excess property hereunder may, subject to the civil-service and classification laws, appoint and fix the compensation of necessary personnel and without regard to the civil-service and classification laws appoint and fix the compensation of personnel outside the continental limits of the United States as may be necessary to carry out his functions.

(d) *Reports to Congress.*—Each agency responsible for foreign disposal shall make annual reports to Congress relative to its activities under this title.

(e) *Transfer of personnel, funds, etc.*—Such records, property, personnel obligations, commitments, and unexpended balances, of appropriations, allocations, and other funds as are determined by the Director of the Bureau of the Budget to relate to the functions transferred to another executive agency under this title shall be transferred from the Department of State to that agency.

TITLE V—GENERAL PROVISIONS

APPLICABILITY OF EXISTING PROCEDURES

SEC. 501. All policies, procedures, and directives prescribed—

(a) by either the Director, Bureau of Federal Supply, or the Secretary of the Treasury and relating to any functions transferred to or vested in the Administrator, by the provisions of this Act;

(b) by any officer of the Government under the authority of the Surplus Property Act of 1944, as amended, or under other authority with respect to surplus property or foreign excess property;

(c) by or under authority of the Federal Works Administrator or the head of any constituent agency of the Federal Works Agency; and

(d) by the Archivist of the United States or any other officer or body whose functions are transferred by title I of this Act, in effect upon the effective date of this Act and not inconsistent herewith, shall remain in full force and effect unless and until superseded, or except as they may be amended, under the authority of this Act or under other appropriate authority.

ANALYSIS

TITLE V. GENERAL PROVISIONS

Section 501. Applicability of existing procedures

This section continues in effect all existing policies, procedures, and directives until superseded or amended under authority of the act.

REPEAL AND SAVING PROVISIONS

SEC. 502. (a) There are hereby repealed—

(1) the Surplus Property Act of 1944, as amended (except sections 13 (d), 13 (g), 13 (h), 28, and 32 (b) (2)), and sections 501 and 502 of Reorganization Plan Numbered 1 of 1947: *Provided*, That, with respect to the disposal under this Act of any surplus real estate, all priorities and preferences provided for in said Act, as amended, shall continue in effect until 12 o'clock noon (eastern standard time), December 31, 1949;

(2) that portion of the Act entitled "An Act making supplemental appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1949, and for other purposes", approved June 30, 1948 (Public Law 862, Eightieth Congress), as amended, appearing under the caption "Surplus property disposal";

(3) the Act entitled "An Act to authorize the Secretary of War to dispose of material no longer needed by the Army", approved February 28, 1936 (49 Stat. 1147; 10 U. S. C. 1258);

(4) the Act entitled "An Act to authorize the Secretary of the Navy to dispose of material no longer needed by the Navy", approved May 23, 1930, as amended (46 Stat. 378; 34 U. S. C. 546c);

(5) section 5 of the Act of July 11, 1919 (41 Stat. 67; 40 U. S. C. 311);

(6) the first and second provisos contained in the fifth paragraph under the heading "Division of Supply" in section 1 of the Act of December 20, 1928 (45 Stat. 1030; 40 U. S. C. 311a);

(7) the Act entitled "An Act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to donate excess and surplus property for educational purposes", approved July 2, 1948 (Public Law 889, Eightieth Congress);

(8) section 203 of the Act of June 26, 1943 (57 Stat. 195, as amended; 5 U. S. C. 118d-1);

(9) the Act of April 15, 1937 (50 Stat. 64; 5 U. S. C. 118d);

(10) the second proviso contained in the paragraph of the Act of August 10, 1912 (37 Stat. 296; 5 U. S. C. 545), headed "Contingent expenses, Department of Agriculture";

(11) the second proviso contained in the twentieth paragraph of section 1 of the Act of March 2, 1917 (39 Stat. 973; 5 U. S. C. 494);

(12) the twenty-sixth paragraph under the heading "National Parks" of the Act of January 24, 1923 (42 Stat. 1215; 16 U. S. C. 9);

(13) the fifth paragraph under the heading "Experiments and demonstrations in livestock production in the cane-sugar and cotton districts of the United States" of the Act of June 30, 1914 (38 Stat. 441; 5 U. S. C. 546);

(14) the proviso contained in the second paragraph under the heading "Library, Department of Agriculture" of the Act of March 4, 1915 (38 Stat. 1107; 5 U. S. C. 548);

(15) the second proviso contained in the second paragraph under the heading "Clothing and camp and garrison equipage"

of section 1 of the Act of August 29, 1916 (39 Stat. 635; 10 U. S. C. 1271);

(16) the Act of May 11, 1939 (53 Stat. 739; 10 U. S. C. 1271a);

(17) the fifth paragraph under the heading "Office of the Chief Signal Officer" of the Act of May 12, 1917 (40 Stat. 43, as amended; 10 U. S. C. 1272);

(18) the third proviso contained in the second paragraph under the heading "Office of the Chief Signal Officer" of the Act of March 4, 1915 (38 Stat. 1064; 10 U. S. C. 1273);

(19) the fourteenth paragraph under the heading "Smithsonian Institution" of section 1 of the Act of March 3, 1915 (38 Stat. 839; 20 U. S. C. 66);

(20) the second paragraph under the heading "Government hospital for the insane" of section 1 of the Act of August 1, 1914 (38 Stat. 649; 24 U. S. C. 173);

(21) the second paragraph under the heading "Saint Elizabeths Hospital" of section 1 of the Act of June 12, 1917 (40 Stat. 153; 24 U. S. C. 174);

(22) the proviso contained in the second paragraph under the heading "Bureau of Supplies and Accounts" of the Act of August 22, 1912 (37 Stat. 346; 34 U. S. C. 531a);

(23) the second proviso of the first paragraph under the heading "Bureau of Yards and Docks" of the Act of August 29, 1916 (34 U. S. C. 532);

(24) the proviso contained in the second paragraph under the heading "Maintenance, Quartermaster's Department, Marine Corps" of the Act of March 4, 1917 (39 Stat. 1189; 34 U. S. C. 723);

(25) the twentieth paragraph under the heading "Bureau of Mines" of section 1 of the Act of July 19, 1919 (41 Stat. 200; 40 U. S. C. 118);

(26) the first sentence of section 5 of the Act of March 4, 1915 (38 Stat. 1161; 41 U. S. C. 26);

(27) the third paragraph under the heading "Interstate Commerce Commission" of section 1 of the Act of August 1, 1914 (38 Stat. 627; 49 U. S. C. 58);

(28) the Act of June 6, 1941 (55 Stat. 247; 14 U. S. C. 31b);

(29) section 4 of the Act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7);

(30) the Act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d); and

(31) section 1 of the Act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1).

(b) The provisions of the first, third, and fifth paragraphs of section 1 of Executive Order Numbered 6166 of June 10, 1933, are hereby superseded, insofar as they relate to any function now administered by the Bureau of Federal Supply except functions with respect to standard contract forms.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith, except that sections 205 (b) and 206 (c) of this Act shall not be applicable to any Government corporation or agency which is subject to the Government Corporation Control Act (59 Stat. 597; 31 U. S. C. 841).

(d) Nothing in this Act shall impair or affect any authority of—
 (1) the President under the Philippine Property Act of 1946 (60 Stat. 418; 22 U. S. C. 1381);

(2) any executive agency with respect to any phase (including, but not limited to, procurement, storage, transportation, processing, and disposal) of any program conducted for purposes of resale, price support, grants to farmers, stabilization, transfer to foreign governments, or foreign aid, relief, or rehabilitation: *Provided*, That the agency carrying out such program shall, to the maximum extent practicable, consistent with the fulfillment of the purposes of the program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(3) any executive agency named in the Armed Services Procurement Act of 1947, and the head thereof, with respect to the administration of said Act;

(4) the National Military Establishment with respect to property required for or located in occupied territories;

(5) the Secretary of Defense with respect to the administration of the National Industrial Reserve Act of 1948;

(6) the Secretary of Defense, the Munitions Board, and the Secretaries of the Army, Navy, and Air Force with respect to the administration of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596), and provided that any imported materials which the authorized procuring agency shall certify to the Commissioner of Customs to be strategic and critical materials procured under said Act may be entered, or withdrawn from warehouse, free of duty;

(7) the Secretary of State under the Foreign Service Buildings Act of May 7, 1926, as amended;

(8) the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force with respect to the administration of section 1 (b) of the Act entitled "An Act to expedite the strengthening of the national defense", approved July 2, 1940 (54 Stat. 712);

(9) the Secretary of Agriculture or the Department of Agriculture under (A) the National School Lunch Act (60 Stat. 230); (B) the Farmers Home Administration Act of 1946 (60 Stat. 1062); (C) the Act of August 31, 1947, Public Law 298, Eightieth Congress, with respect to the disposal of labor supply centers, and labor homes, labor camps, or facilities; (D) section 32 of the Act of August 24, 1935 (49 Stat. 774), as amended, with respect to the exportation and domestic consumption of agricultural products; or (E) section 201 of the Agricultural Adjustment Act of 1938 (52 Stat. 36) or section 203 (j) of the Agricultural Marketing Act of 1946 (60 Stat. 1082);

(10) the Secretary of Agriculture, Farm Credit Administration, or any farm credit board under section 6 (b) of the Farm Credit Act of 1937 (50 Stat. 706), with respect to the acquisition or disposal of property;

(11) the Housing and Home Finance Agency, or any officer or constituent agency therein, with respect to the disposal of resi-

dential property, or of other property (real or personal) held as part of or acquired for or in connection with residential property, or in connection with the insurance of mortgages, loans, or savings and loan accounts under the National Housing Act;

(12) the Tennessee Valley Authority with respect to nonpersonal services, with respect to the matters referred to in section 201 (a) (4), and with respect to any property acquired or to be acquired for or in connection with any program of processing, manufacture, production, or force account construction: *Provided*, That the Tennessee Valley Authority shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purpose of its program and the effective and efficient conduct of its business, coordinate its operations with the requirements of this Act and the policies and regulations prescribed pursuant thereto;

(13) the Atomic Energy Commission;

(14) the Administrator of Civil Aeronautics or the Chief of the Weather Bureau with respect to the disposal of airport property and airway property for use as such property. For the purpose of this paragraph the terms "airport property" and "airway property" shall have the respective meanings ascribed to them in the International Aviation Facilities Act (62 Stat. 450);

(15) the Postmaster General or the Postal Establishment with respect to the means and methods of distribution and transportation of the mails, and contracts, negotiations, and proceedings before Federal and State regulatory and rate-making bodies, relating to the transportation of the mails;

(16) the United States Maritime Commission with respect to the construction, reconstruction, and reconditioning (including outfitting and equipping incident to the foregoing), the acquisition, procurement, operation, maintenance, preservation, sale, lease, or charter of any merchant vessel or of any shipyard, ship site, terminal, pier, dock, warehouse, or other installation necessary or appropriate for the carrying out of any program of such Commission authorized by law, or nonadministrative activities incidental thereto: *Provided*, That the United States Maritime Commission shall to the maximum extent that it may deem practicable, consistent with the fulfillment of the purposes of such programs and the effective and efficient conduct of such activities, coordinate its operations with the requirements of this Act, and the policies and regulations prescribed pursuant thereto;

(17) Central Intelligence Agency;

(18) except as provided in subsections (a) and (b) hereof, any other law relating to the procurement, utilization, or disposal of property: *Provided*, That, subject to, and within the scope of authority conferred on the Administrator by other provisions of this Act, he is authorized to prescribe regulations to govern any procurement, utilization, or disposal of property under any such law, whenever but only to the extent he deems such action necessary to effectuate the provisions of title II; nor

(19) for such period of time as the President may specify, any other authority of any executive agency which the President determines within one year after the effective date of this Act should, in the public interest, stand unimpaired by this Act.

(e) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), is amended by striking out "\$100" wherever it appears therein and inserting in lieu thereof "\$500".

ANALYSIS

Section 502. Repeal and saving provisions

(a) *Repeal of Surplus Property Act, certain exceptions.*—This subsection repeals all the Surplus Property Act of 1944 except (i) sections 13 (d), 13 (g), and 13 (h), relating to power transmission lines, transfers for the airport program and for parks, recreation, and historic monuments, and section 32 (b) (2), relating to the foreign scholarship program, all of which are retained as permanent legislation; and (ii) section 28 suspending a statute of limitations. The priorities and preferences provided for in that act are continued in effect with respect to the disposal of surplus real estate until December 31, 1949. By opinion dated August 29, 1949, the Counsel to the General Services Administration Committee for Disposal of Surplus Property for Educational and Health Purposes held that the effect of the proviso to Sec. 502 (a) was to vest in the Administrator a discretionary authority to make transfers of property in accordance with Sec. 13 (g) of the Surplus Property Act of 1944. The provisions of the Supplemental Independent Offices Appropriation Act, 1949 (Public Law 862, 80th Cong.), as amended, abolishing the War Assets Administration as of June 30, 1949, and assigning its property-disposal functions to several different agencies, are likewise repealed, as are two statutes authorizing the armed services to donate obsolete personal property for educational purposes. The latter statutes were superseded by Public Law 889, Eightieth Congress, which is likewise repealed, since it will be superseded by the donation provisions in section 203 (j). This subsection also repeals two statutes relating to the transfer of excess property to other agencies and some 20 statutes relating to use of trade-in allowances which will be superseded by section 201 (e). Finally, this subsection repeals section 4 of the act of June 17, 1910 (36 Stat. 531; 41 U. S. C. 7), concerning the General Supply Committee; the act of February 27, 1929 (45 Stat. 1341; 41 U. S. C. 7a, 7b, 7c, and 7d), concerning central procurement by the Secretary of the Treasury and authorizing the establishment and use of the general supply fund; and section 1 of the act of May 14, 1935 (49 Stat. 234; 41 U. S. C. 7c-1), covering the use of the general supply fund for the operation of the Government fuel yards. These provisions will be superseded upon the enactment of the general scheme of Government procurement contemplated in this bill which will more effectively accomplish the same objectives.

(b) *Repeal of Executive Order 6166.*—This subsection supersedes Executive Order 6166 so far as it relates to the Bureau of Federal Supply, except for the functions reserved with respect to standardizing contract forms, such as the lease and the construction contract form.

(c) *Declaration of additional authority.*—By this subsection the authority conferred by the act is declared supplemental and not subject to other legislation.

(d) *Special exemptions from the act.*—This subsection exempts from operations under the act a number of activities requiring special treatment. Chief among these are programs for price support, stabilization, grants to farmers, and foreign aid; procurement procedures under the Armed Services Procurement Act of 1947 (this statute is concerned only with procedures and it is not intended by its inclusion in this subsection to grant any exemption from the substantive provisions of the bill); the stock piling of critical materials; the national school-lunch program; the Housing and Home Finance Agency with respect to the disposal of residential property; the Atomic Energy Commission; and the Central Intelligence Agency.

It is not intended by these exemptions that those administering the agencies or programs listed shall be free from all obligation to comply with the provisions of the act or from all jurisdiction of the Administrator. On the contrary, it is expected that they will as far as practicable procure, utilize, and dispose of property in accordance with the provisions of the act and the regulations issued thereunder, particularly so far as common-use items and administrative supplies are concerned. Likewise, it is intended that the Administrator shall have full authority, with respect to the agencies or programs mentioned, to make surveys

of, and obtain reports on, property and property-management practices, to co-operate in the establishment of inventory levels, and to report excessive stocking, in accordance with the provisions of section 206 (a) (1) and (2).

In other words, to the extent that compliance with the act and submission to the jurisdiction of the Administrator will not so "impair or affect the authority" of the several agencies to which the subsection applies as to interfere with the operation of their programs, the act will govern. Any disputes that arise can be settled by the President under the authority to prescribe policies and directives vested in him by section 205 (a).

(e) *Limitation on open-market purchases.*—This subsection amends section 3709 of the Revised Statutes as amended by raising from \$100 to \$500 the limit on the amount that can be expended in an open-market purchase without advertising or bidding.

AUTHORIZATIONS FOR APPROPRIATIONS AND TRANSFER AUTHORITY

SEC. 503. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) When authorized by the Director of the Bureau of the Budget, any Federal agency may use, for the disposition of property under this Act, and for its care and handling pending such disposition, any funds heretofore or hereafter appropriated, allocated, or available to it for purposes similar to those provided for in sections 201, 202, 203, and 205 of this Act.

ANALYSIS

Section 503. Authorization for appropriations and transfer authority

(a) *Authorization for appropriations.*—This subsection authorizes appropriations generally without specification as to amount.

(b) *Transfer authority.*—Under this subsection an executive agency may use for care and handling of property, funds heretofore appropriated to it for purposes contemplated by sections 201, 202, 203, and 205 of the act.

SEPARABILITY

SEC. 504. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

ANALYSIS

Section 504. Separability

Each provision of the act is declared separable so far as validity is concerned.

EFFECTIVE DATE

SEC. 505. This Act shall become effective on July 1, 1949, except that the provisions of section 502 (a) (2) (repealing prior law relating to the disposition of the affairs of the War Assets Administration) shall become effective on June 30, 1949.

Approved June 30, 1949.

ANALYSIS

Section 505. Effective date

The effective date of the act is established as July 1, 1949, except that one clause relating to the War Assets Administration is made effective June 30, 1949.

APPENDIX A

STATEMENT OF AGREEMENT BETWEEN THE MUNITIONS BOARD, NATIONAL DEFENSE ESTABLISHMENT, AND THE BUREAU OF FEDERAL SUPPLY, DEPARTMENT OF THE TREASURY, ON PROCEDURES FOR THE DEVELOPMENT OF A UNIFORM FEDERAL CATALOG SYSTEM

The Munitions Board Cataloging Agency has embarked upon a comprehensive 3-year program to provide a uniform catalog system for all items of armed services supply. This program was initiated in recognition of the urgent military need for a common language for supply activities. The Bureau of Federal Supply has been active in the planning for a Federal catalog system in compliance with Presidential directives and its basic responsibility for the development and maintenance of the Federal Standard Stock Catalog. This planning was participated in by the Military Establishment and several of the larger civil establishments. There is now pending before the Congress a bill to reorganize and simplify the procurement, utilization, and disposal of Government property, and for other purposes, which provides, among other things, for the transfer of the Bureau of Federal Supply to the Federal Works Agency and authorizes the Federal Works Administrator "As he may deem necessary for the effectuation of his functions under this title, and after adequate advance notice to the agencies affected, and with due regard to the requirements of the National Military Establishment as determined by the Secretary of Defense * * * to establish and maintain such uniform Federal supply catalog system to identify and classify personal property under the control of Federal agencies as may be appropriate * * *." Also "each executive agency shall utilize such uniform Federal supply catalog system and standard purchase specifications as far as practicable, taking into consideration efficiency, economy, and other interests of the Government."

Pending action of the Congress on the above bill, it is recognized that the interests of the Federal Government can best be served through continuing close cooperation and working contacts between the cataloging activities of the civil and military establishments. To this end the following agreements have been reached between the Munitions Board and the Bureau of Federal Supply:

- (1) That the present plans and procedures of the Munitions Board Cataloging Agency are satisfactory for initiating Federal catalog operations. It is understood that the agency is further developing the elements of cataloging in accordance with the basic principles developed under the sponsorship of the United States Standard Commodity Catalog Board;
- (2) That certain revisions and expansions in plans and procedures must be made as work progresses to provide for the requirements of civilian agencies;
- (3) That the question of classification will require close coordination with the civilian agencies and the Munitions Board Cataloging Agency in order to develop a commodity supply classification system which will be practical and workable for all organizations;
- (4) That any civilian agency having major supply problems should be represented on the Technical Group of the Munitions Board Cataloging Agency. The Bureau of Federal Supply will, with the concurrence of the Bureau of the Budget, develop recommendations to the Cataloging Agency as to the agencies which should be represented;
- (5) That the Bureau of Federal Supply shall have one member and one alternate on the Executive Group of the Munitions Board Cataloging Agency, for representation of civilian agencies.
- (6) That after completion of the current "3-year program" of the Munitions Board Cataloging Agency, the respective future responsibilities of the Agency and the Bureau of Federal Supply would, in the absence of legislative direction, be determined by agreement between the Secretary of Defense and the Secretary of the Treasury;
- (7) That the Bureau of Federal Supply will be responsible for such coordination as will assure that cataloging developments initiated by the Munitions Board Cataloging Agency are made available to interested civil establishments.

(Signed) CLIFTON E. MACK,
Bureau of Federal Supply, Treasury Department.

JUNE 3, 1948.

(Signed) Maj. Gen. PATRICK W. TIMBERLAKE,
Munitions Board.

MAY 14, 1948.

INDEX

A

	Section
Abandoned property, disposal of.....	203 (1)
Abandonment of property.....	202 (h)
Foreign excess property.....	402
Accounting systems:	
Agencies to maintain.....	202 (b)
Principles and standards.....	203 (b)
Accounts, audit by General Accounting Office.....	206 (c)
Administrative Committee of the Federal Register:	
Applicability of existing regulations.....	501
Functions of Archivist of the United States with respect to.....	104 (a)
Transfer to General Services Administration.....	104 (b)
Administrator of General Services:	
Appointment.....	101 (b), 101 (d)
Definition.....	3 (c)
Functions of. This index generally.	
Reports to:	
Excess property.....	202 (b) (2)
Property and property management practices.....	206 (a) (1)
Records management surveys.....	104 (c) (1)
Salary.....	101 (e)
Advance payments:	
From General Supply Fund.....	109 (b) (c)
Negotiated contracts.....	305
Advertising:	
Disposal without:	
Foreign excess property.....	402
Surplus property.....	203 (e)
Exemption from R. S. 3709.....	310
Exemption limit increased.....	502 (e)
Procurement without.....	302 (b), (c)
Requirements.....	303
Advisory bodies:	
Committees.....	205 (g)
Federal agencies.....	205 (h)
Agency, definition of.....	3 (a), (b)
Agency head.....	309 (a)
Agricultural commodities, disposal of.....	203 (g), (h), 402 (a)
Agriculture, Department of:	
Disposal of surplus agricultural commodities by.....	203 (h)
Agriculture, Secretary of:	
Responsibilities of in connection with disposal of agricultural commodities.....	203 (g), (h)
Foreign.....	402 (a)
Antitrust laws:	
Applicability of.....	207
Violation of in bids.....	302 (d)
Appeal Board, under Contract Settlement Act:	
Applicability of existing regulations and procedures.....	501
Status of transferred employees.....	108
Transfer of functions, personnel, etc.....	102 (b)
Applicability of existing laws and procedures.....	308, 310, 501, 502
Appropriations:	
Authorized.....	503 (a)
Availability.....	503 (b)
Credit of proceeds from transfer.....	204 (b), 403
Reimbursement of, for:	
Space.....	202 (g)
Supplies and services.....	109 (b)

Archivist of the United States:	Section
Appointment-----	104 (a)
Functions-----	104 (a)
Armed forces, use of surplus property in training civilian components of-----	203 (k) (2)
Armed Services Procurement Act of 1947, nonapplicability of Act to agencies covered by-----	302 (a) (2), 502 (d) (3)
Attorney General:	
Antitrust laws, applicability of in disposals-----	207
Violations of in bids-----	302 (d)
Auditing:	
General Supply Fund-----	109 (e)
Property accounts and transactions-----	206 (c)
Authority, delegation and redelegation of:	
Authorized generally-----	205 (d), (e)
Foreign excess property-----	404 (b)
Procurement-----	302 (a), 307
Not permitted-----	307 (b)
Transfer of personnel, etc., in connection with-----	205 (f)

B

Bacon-Davis Act, effect of-----	308
Bids:	
Advertising for-----	303 (a)
Antitrust law violations-----	302 (d)
Public opening of-----	302 (b)
Rejection of-----	302 (c)
Board of Trustees of Franklin D. Roosevelt Library:	
Functions of Archivist of the United States with respect to-----	104 (a)
Transfer to General Services Administration-----	104 (b)
Books, surplus, donations of for educational purposes-----	203 (j)
Brokerage, warranty concerning-----	304 (a)
Budget Bureau:	
Approval required:	
General Supply Fund, determinations as to indirect or overhead costs-----	109 (a) (2), (b)
Transfer of personnel, funds, etc-----	205 (f)
Bureau of Federal Supply-----	102 (a), (c)
Contract settlement-----	102 (b)
State Department-----	404 (e)
Transfers under sec. 201 (a) (2) and (3)-----	107 (b)
Treasury Department-----	102, 107
Regulations by:	
Excess property, reassignments or transfers of-----	202 (f)
Reports to:	
Excess property, reassignments or transfers-----	202 (f)
Excessive stocking-----	206 (a) (2)
Records management activities-----	104 (c)
Transfers of funds when functions redistributed-----	106
Bureau of Community Facilities. <i>See</i> Community Facilities, Bureau of.	
Bureau of Federal Supply. <i>See</i> Federal Supply, Bureau of.	
Bureau of Public Roads. <i>See</i> Public Roads, Bureau of.	
Bureau of the Budget. <i>See</i> Budget Bureau.	

C

Care and handling:	
Definition of-----	3 (h)
Excess property-----	202 (b) (3), (h)
Surplus property-----	203 (b)
Carriers:	
Authority of Administrator to represent agencies in connection with-----	201 (a) (4)
Catalog system, uniform:	
Coordination with military departments-----	206 (a) (3)
Establishment authorized-----	206 (a) (3)
Utilization by Federal agencies-----	206 (b)

	Section
Civil remedies and penalties-----	209
Classification and identification of property:	
Authority to prescribe policies and methods-----	201 (a) (1)
Uniform catalog system-----	206 (a) (3), (b)
Colleges:	
Procurement for without advertising-----	302 (c) (5)
Transfer of surplus property to-----	203 (j), (k)
Collusion among bidders-----	302 (d)
Commerce, Secretary of:	
Determination of with respect to importation of foreign excess property-----	402 (a)
Commissions, warranty concerning-----	304 (a)
Commodity Credit Corporation:	
Prices and quantity limits to govern disposals of surplus farm commodities-----	203 (h)
Community Facilities, Bureau of:	
Applicability of existing regulations and procedures-----	501
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	103 (a), 107 (a)
Competition among bidders-----	303 (a)
Comptroller General of the United States:	
Audits by:	
General Supply Fund-----	109 (e)
Property accounts and transactions-----	206 (c)
Property accounting systems, functions in connection with-----	205 (b)
Congress:	
Reports to:	
Accounting principles and standards, failure to comply with---	205 (b)
Annual report by Administrator-----	210
Excess property-----	202 (f)
Foreign-----	404 (d)
Excessive stocking-----	206 (a) (2)
Experimental or developmental work, contracts for-----	302 (c) (10)
Foreign excess property-----	404 (d)
General Supply Fund-----	109 (e)
Records management activities-----	104 (c) (3)
Small-business concerns, declarations of policy concerning procurement through-----	302 (b)
Construction or repair of buildings, roads, etc-----	302 (e)
Consultants, employment of-----	208 (b)
Consultation with Federal agencies-----	205 (h)
Contingent fees, warranty concerning-----	304 (a)
Contract Settlement, Director of:	
Transfer of functions-----	102 (b)
Contract Settlement, Office of:	
Applicability of existing regulations and procedures-----	501
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	102 (b), 107 (a)
Contract Settlement Advisory Board:	
Applicability of existing regulations and procedures-----	501
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	102 (b), 107 (a)
Contracting, authority to prescribe policies and methods-----	201 (a) (1)
Contractor inventory:	
Definition of-----	3 (k)
Disposal of-----	203 (f)
Contracts (<i>see also</i> Contracts and purchases <i>under</i> Procurement):	
Award of-----	303 (b)
Advance payments-----	305
Advertising-----	302 (c), 303
Exemption from R. S. 3709-----	310
Exemption limit raised-----	502 (e)
Building construction and repair-----	302 (e)
Cost plus fixed fee, when used-----	304 (b)
Cost plus percentage of cost, not permitted-----	304 (b)

Contracts—Continued	Section
Crediting of proceeds of sale.....	204 (d)
Delegation of power concerning.....	302 (a), 307
Forms of.....	304
Inspection of contractor's books.....	304 (b)
Liquidated damages, waiver of.....	306
Negotiated. <i>See</i> Contracts and purchases <i>under</i> procurement.	
Public utility services, duration.....	201 (a) (3)
Small business, policy respecting.....	302 (b)
Stationery and supplies, exemption from 1 year requirement.....	310
Statutes:	
Continued in effect.....	308
Not applicable.....	310
Waiver of liquidated damages.....	306
Cotton goods, surplus, disposal of.....	203 (g), (h), 402 (a)
Courts, jurisdiction of.....	209 (c)
Credits, foreign. <i>See</i> Foreign currencies and credits.	
Critical or strategic material, acceptance in lieu of cash.....	204 (e)
Currencies, foreign. <i>See</i> Foreign currencies and credits.	
D	
Damages, liquidated, waiver of.....	306
Declaration of policy.....	2
Defense, Secretary of:	
Allocation by of surplus property for transfer to military, naval schools, etc.....	203 (j) (3)
Authority to enforce compliance, amend instruments of transfer, grant releases.....	203 (k) (2)
Authority to exempt National Military Establishment.....	201 (a)
Determination by as to surplus property usable for educational purposes.....	203 (j) (3)
Definitions:	
Administrator.....	3 (c)
Agency. <i>See</i> Executive agency; Federal agency, <i>below</i> .	
Agency head.....	309 (a)
Care and handling.....	3 (h)
Contractor inventory.....	3 (k)
Excess property (<i>see also</i> Foreign excess property).....	3 (e)
Executive agency.....	3 (a)
Federal agency.....	3 (b)
Foreign excess property.....	3 (f)
Nonpersonal services.....	3 (j)
Person.....	3 (i)
Property (<i>see also</i> Excess property; Foreign excess property; Surplus property).....	3 (d)
Supplies.....	309 (h)
Surplus property.....	3 (g)
Delegations of authority. <i>See</i> Authority.	
Deposit account, special (<i>see also</i> General Supply Fund):	
Proceeds from transfer or disposition of property, deposit in.....	204 (c)
Foreign disposals.....	403
Destruction of property.....	202 (h)
Foreign excess property.....	402
Disposal of:	
Property. <i>See</i> Excess property, Surplus property.	
Records. <i>See</i> Records and records management.	
District of Columbia, government of:	
General Supply Fund available for use of.....	109 (f)
Procurement for.....	201 (b)
Transfer of surplus property to.....	203 (j), (k)
Division of the Federal Register. <i>See</i> Federal Register, Division of.	
Documents, execution of in disposals.....	203 (c), (d)
Amendments or corrections.....	203 (k) (2) (ii)
Foreign disposals.....	402
Donation of property to public bodies, schools, etc.....	202 (h), 203 (j)
Foreign disposals.....	402

E

	Section
Educational institutions, procurement for without advertising-----	302 (c) (5)
Educational purposes, disposal of surplus for-----	203 (j), (k)
Effective date-----	505
Eight-hour law, effect of-----	308
Employees. <i>See</i> Personnel.	
Excess property:	
Abandonment, destruction, or donation-----	202 (h)
Foreign-----	402
Authorities not affected by Act-----	502 (d)
Care and handling of-----	202 (b) (3), (h)
Definition of-----	3 (e)
Foreign-----	3 (f)
Disposal under previous Acts not affected-----	502 (d) (18)
Donation-----	202 (h)
Foreign-----	402
Executive agencies, responsibilities of-----	202 (b), (c), 401
Fair value-----	202 (e)
Foreign:	
Donation of-----	402
Executive agencies, responsibilities of-----	401
Delegations and redelegations of authority by-----	404 (b)
Employment of personnel by-----	404 (c)
Reports to be submitted by-----	404 (d)
General provisions-----	401
Methods and terms of disposal-----	402
Policies to be prescribed by President-----	404 (a)
Proceeds from disposition of-----	403
State Department:	
Authority of Secretary of State-----	401 (b)
Continuing functions of-----	401 (d)
Foreign credits or currencies acquired by-----	401 (c)
Transfer of records, personnel, etc., from-----	404 (e)
Inventory and accountability-----	202 (b)
National Military Establishment, excess property in-----	202 (d)
Obtaining-----	202 (c)
Office, storage, use-----	202 (g)
Policies and methods, to be prescribed-----	202 (a)
Foreign disposals-----	404 (a)
Proceeds from transfers. <i>See main heading</i> Proceeds from dis-	
posals or transfers.	
Real property, temporary assignment or reassignment of-----	202 (g)
Reassignment of. <i>See</i> Transfer below.	
Regulations governing (<i>see also</i> Policies and methods above)-----	202 (b) (4),
	(e), (f)
Reports concerning-----	202 (b) (2), (f)
Foreign-----	404 (d)
Transfer or reassignment of excess:	
Administrator to provide for-----	202 (a)
At fair value-----	202 (e)
Between executive agencies-----	202
In National Military Establishment-----	202 (d)
Proceeds from. <i>See main heading</i> Proceeds.	
Real property-----	202 (g)
Reporting of to Congress and Budget Bureau-----	202 (f)
Without reimbursement-----	202 (e)
Exchanges or sales of similar items, authority of executive agencies-----	201 (c)
Executive agency, definition of-----	3 (a)
Experimental and developmental work, procurement for without	
advertising-----	302 (c) (10)
Experts, employment of-----	208 (b)

F

Fair value, transfers of excess property to be at-----	202 (e)
Federal agency:	
Definition of-----	3 (b)

Federal Property Act :	Section
Declaration of policy-----	2
Effective date-----	505
Separability of provisions-----	504
Short title-----	1
Federal Register, Administrative Committee of the:	
Functions of Archivist of the United States with respect to-----	104 (a)
Transfer to General Services Administration-----	104 (b)
Federal Register, Division of the:	
Functions of Director, transfer to Administrator of General Services-----	104 (a)
Federal Security Administrator :	
Allocation by of surplus property for transfer to schools, colleges, etc-----	203 (j) (2)
Authority to enforce compliance, amend instruments of transfer, grant releases-----	203 (k) (2)
Determination by as to surplus property usable for educational purposes-----	203 (j) (2)
Disposal by of surplus real property for educational and public health purposes-----	203 (k) (1)
Federal Supply, Bureau of:	
Abolishment of Bureau and Office of Director-----	102 (a)
Applicability of existing regulations and procedures-----	501
To prices paid by requisitioning agencies-----	109 (b)
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	102 (a), (c), 107 (a)
Federal Works Administrator:	
Abolishment of office of Administrator and Assistant Administrator-----	103 (b)
Transfer of functions to Administrator of General Services-----	103 (a)
Federal Works Agency:	
Abolishment-----	103 (b)
Applicability of existing regulations and procedures-----	501
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	103 (a), 107 (a)
Fees, limitation on-----	304 (b)
Findings, written, basis for determination and decisions-----	307 (c)
Foods, surplus, disposal of-----	203 (g), (h)
Foreign-----	402 (a)
Foreign currencies and credits:	
Administration of disposal proceeds in form of-----	401 (c), 403 (a)
Disposal of foreign excess property for-----	402 (b)
Use of by Secretary of State-----	401 (b), (c)
Foreign excess property. <i>See</i> Excess property.	
Foreign Service Buildings Act, use of foreign currencies and credits to effectuate-----	401 (b)
Forms:	
Authority to prescribe-----	206 (a) (4)
General Supply Fund available for purchase of-----	109 (a) (1)
Standardization of-----	206 (a) (4)
Franklin D. Roosevelt Library, Board of Trustees of:	
Functions of Archivist of the United States with respect to-----	104 (a)
Transfer to General Services Administration-----	104 (b)
Fuel yards, authority of Administrator to operate-----	201 (a) (2)
Functions:	
Authority of Administrator to redistribute-----	106
Determinations by Budget Bureau with respect to matters relating to transfers-----	102, 107
Performance by other agencies-----	205 (e)
Transfers. <i>See</i> name of specific agency transferred.	
Funds:	
<i>See also</i> General Supply Fund.	
Determinations by Budget Bureau with respect to transfers-----	102 (b), (c), 107, 205 (f)
Reports to Budget Bureau with respect to transfers within General Services Administration-----	106

Funds—Continued

Transfers:	Section
To executive agencies, foreign disposal functions transferred from State Department.....	404 (e)
To General Services Administration:	
Federal Register, Administrative Committee.....	104 (b)
Federal Supply, Bureau of.....	107 (a)
Federal Works Agency.....	107 (a)
Franklin D. Roosevelt Library, Board of Trustees.....	104 (b)
National Archives Council.....	104 (b)
National Archives Establishment.....	107 (a)
National Archives Trust Fund Board.....	104 (b)
National Historical Publications Commission.....	104 (b)
Treasury Department.....	102 (b), (c), 107 (a)
War Assets Administration.....	107 (a)
Within General Services Administration, authority of Administrator to make.....	106

G

General Accounting Office:

Audits by:	
General Supply Fund.....	109 (e)
Property accounts and transactions.....	206 (c)
Findings to be submitted to.....	307 (c)
Principles and standards to be established by Comptroller General.....	205 (b)
Procurement authority delegations, notices concerning to be furnished to.....	302, 302 (a)
Property accounting systems, examination by.....	205 (b)
General Services Administration:	
Administrator. <i>See Organization below.</i>	
Establishment.....	101 (a)
Functions:	

This index generally.

Redistribution of, powers of Administrator.....	106
Retention of certain supply functions in Treasury Department..	102 (c)
Transfers to. <i>See Transfers under Organization.</i>	

Organization:

Administrator:	
Appointment.....	101 (b)
Performance of functions pending first appointment.....	101 (d)
Salary.....	101 (d), (e)
Deputy Administrator:	
Appointment.....	101 (c)
Functions.....	101 (c)
Salary.....	101 (e)
Transfer of Public Roads Bureau to Commerce Department..	103 (a), note
Transfers of functions, funds, personnel, records, etc., to:	
Appeal Board established under Contract Settlement Act..	102 (b), 107 (a)
Community Facilities, Bureau of.....	103 (a), 107 (a)
Contract Settlement, Office of.....	102 (b), 107 (a)
Contract Settlement Advisory Board.....	102 (b), 107 (a)
Federal Register, Administrative Committee of.....	104 (b)
Federal Register, Division of.....	104 (a)
Federal Supply, Bureau of.....	102 (a), (c), 107 (a)
Federal Works Agency.....	103 (a), 107 (a)
Franklin D. Roosevelt Library, Board of Trustees of.....	104 (b)
National Archives Council.....	104 (b)
National Archives Establishment.....	104 (a), 107 (a)
National Archives Trust Fund Board.....	104 (b)
National Historical Publications Commission.....	104 (b)
Public Buildings Administration.....	103 (a), 107 (a)
Public Roads Administration.....	103 (a), 107 (a)
Treasury Department.....	102, 107 (a)
Under sec. 201 (a) (2) or (3).....	107 (b)
War Assets Administration.....	105

General Services Administration—Continued

Personnel:	Section
Employment of.....	208, 404 (c)
Status of transferred employees.....	108
Salaries.....	101 (d), (e)
Status of transferred employees.....	108
General Supply Fund:	
Advance payments.....	109 (b), (c)
Audit by Comptroller General.....	109 (e)
Authorized.....	109 (a)
Capital.....	109 (a)
Composition.....	109 (a)
Costs:	
Payment from.....	109 (a) (2), (f)
Recovery of.....	109 (b), (f)
Creation.....	109 (a)
Damaged or lost property, refunds.....	109 (c)
Deposit account, special.....	109 (d)
District of Columbia government.....	109 (f)
Government corporations, mixed ownership.....	109 (f)
Indirect costs.....	109 (a) (2), (f)
Invoices, itemized.....	109 (b)
Non-Federal agencies.....	109 (f)
Overhead costs.....	109 (a) (2), (f)
Payments by agencies.....	109 (b)
Prices.....	109 (b), (f)
Purposes.....	109 (a), (f)
Refunds or recoveries.....	109 (c)
Report to Congress by Comptroller General.....	109 (e)
Special deposit account.....	109 (d)
Surplus to miscellaneous receipts.....	109 (e)
Transfer and counterwarrant.....	109 (b)
Government corporations, mixed-ownership:	
Definition of.....	201 (b)
General Supply Fund available for use of.....	109 (f)
Procurement for.....	201 (b)
Provisions not applicable to.....	502 (c)

H

Hospitals, transfer of surplus real property to.....	203 (k)
House of Representatives:	
Procurement for at request of.....	201 (b)

I

Identification and classification of property, policies and methods.....	201 (a) (1)
Uniform catalog system.....	206 (a) (3), (b)
Importation of foreign excess property.....	402 (a)
Indirect costs. <i>See</i> General Supply Fund.	
Inspection, policies and methods.....	201 (a) (1)
Interior, Secretary of:	
Authority to enforce compliance, amend instruments of transfer, grant releases.....	203 (k) (2)
Inventory controls, agencies to maintain.....	202 (b)
Inventory levels, establishment.....	206 (a) (2)
Invoices, itemized. <i>See</i> General Supply Fund.	

L

Liquidated damages, waiver of.....	306
------------------------------------	-----

M

Maritime Commission, U. S.:	
Disposal of surplus vessels.....	203 (i)
Medical institutions, transfer of surplus real property to.....	203 (k)
Medicines and medical supplies, procurement of without advertising.....	302 (c) (6)

Merchant Marine Act of 1936:	Section
Provisions of to govern disposals of surplus vessels.....	203 (i)
Military schools, transfer of surplus property to.....	203 (j) (3)
Monuments, historic, use of surplus property for.....	203 (k) (2)

N

National Archives. *See* National Archives Establishment.

National Archives Council:

Applicability of existing regulations.....	501
Functions of Archivist of the United States with respect to.....	104 (a)
Transfer to General Services Administration.....	104 (b)
National Archives Establishment:	
Applicability of existing regulations and procedures.....	501
Archivist of the United States:	
Appointment.....	104 (a)
Functions.....	104 (a)
Federal Register, Division of the:	
Functions of Director, transfer to Administrator of General Services.....	104 (a)
Status of transferred employees.....	108
Transfer to General Services Administration.....	104 (a), 107 (a)
National Archives Trust Fund Board:	
Functions of Archivist of the United States with respect to.....	104 (a)
Transfer to General Services Administration.....	104 (b)
National Historical Publications Commission:	
Functions of Archivist of the United States with respect to.....	104 (a)
Transfer to General Services Administration.....	104 (b)
National Industrial Reserve Act of 1948, powers of Secretary of Defense not affected.....	502 (d) (5)
National Military Establishment:	
Cataloging activities, coordination with GSA.....	206 (a) (3)
Procurement activities, authority of Secretary of Defense to exempt from actions taken.....	201 (a)
Surplus property of, use for educational purposes.....	203 (j) (3)
Transfers of excess property within.....	202 (d)
Naval and maritime academies, transfer of surplus property to.....	203 (j) (3)
Negotiated sales, authorized.....	203 (e)
Negotiation of purchases and contracts. <i>See</i> Contracts and purchases.	
Non-Federal agencies, General Supply Fund available for procurement for.....	109 (f)
Nonpersonal services:	
Authority of Administrator to procure and supply.....	201 (a)
Definition of.....	3 (j)

O

Offenses. *See* Penalties.

Office of Contract Settlement. *See* Contract Settlement, Office of.

Organization. *See* General Services Administration.

Overhead costs. *See* General Supply Fund.

P

Parks, recreation areas, etc., use of surplus property for.....	203 (k) (2)
Penalties:	
Civil.....	209 (b)
Criminal.....	209 (d)
Fraud against Government.....	209 (b)
Jurisdiction of courts.....	209 (c)
Liability of Government employees.....	209 (a)
Person, definition of.....	3 (i)
Personal property (<i>see also</i> Excess property; Surplus property):	
Authority of Administrator to procure and supply.....	201 (a)
Catalog system for.....	206 (a) (2)
Exchanges or sales.....	201 (c)
Personal services, procurement of without advertising.....	302 (c) (4)

Personnel:	Section
Appointments under sec. 5 (b) of Surplus Property Act of 1944	105
Employment of	208, 404 (c)
Experts	208 (b)
From other agencies	208 (c)
Outside continental limits	404 (c)
Liability under sales	209 (a)
Status of transferred employees	108
Transfers of, generally	205 (f)
Federal Supply, Bureau of	102 (a), (c)
Federal Works Agency	103 (a)
National Archives Establishment	104 (a)
State Department	404 (e)
Treasury Department	102
War Assets Administration	105
Policies. <i>See</i> Regulations.	
Policy and purpose, declarations of	2, 301
President, The:	
Designation of Acting Administrator pending first appointment	101 (d)
Exemption of actions by, with respect to:	
Any executive agency	502 (d) (19)
National Military Establishment	201 (a)
Foreign disposal agreement functions of State Department, determination of	401 (d)
Policies and directives to be prescribed by	205 (a), 404 (a)
Power to fix rates of compensation	101 (e)
Prices. <i>See</i> General Supply Fund.	
Proceeds from disposals or transfers:	
Abandoned property	203 (1)
Agricultural commodities	203 (h)
Coverage into Treasury as miscellaneous receipts	204 (a)
Foreign disposals	401 (c), 403 (b)
Credit management	204 (f)
Credit to cost of work covered by contract	204 (d)
Credit to reimbursable fund or appropriation	204 (b)
Deposit in special account	204 (c), 403
Foreign disposals	401 (c), 403
General Supply Fund credited with	109 (c)
Strategic or critical materials, acceptance in lieu of cash	204 (e)
Procurement, warehousing, and related activities:	
Administrative determinations and delegations	307
Advance payments	305
Advertising. <i>See</i> Contracts and purchases <i>below</i> .	
Agency head, defined	309 (a)
Antitrust laws, violation shown by bids	302 (d)
Applicability of Title III	302 (a)
Authority, delegation of	302 (a), 307 (a), (b)
Notices concerning to be furnished to General Accounting Office	302 (a)
Authority of Administrator to:	
Extend services to mixed ownership corporations, District of Columbia government, or Congress	201 (b)
Operate warehouses, supply centers, repair shops, etc.	201 (a) (2)
Prescribe policies and methods	201 (a) (1)
Prescribe regulations governing exchanges or sales	201 (c)
Procure and supply personal property and nonpersonal services	201 (a) (3)
Represent agencies in matters involving carriers and public utilities	201 (a) (4)
Buildings or improvements	302 (e)
Contracts and purchases:	
Advance payments	305
Advertising (<i>see also</i> Negotiation <i>below</i>)	302 (c), (e)
Exemption from R. S. 3709	310
Requirements	303

Procurement, warehousing, and related activities—Continued

Contracts and purchases—Continued

	Section
Amounts not exceeding:	
\$500	302 (c) (3)
\$1,000	302 (c) (3)
Amounts over \$10,000	302 (b)
Annulment for breach of warranty	304 (a)
Architectural services	304 (b)
Auditing contractors books	304 (b)
Brokerage fees	304 (a)
Commissions, contingent fees, etc	304 (a)
Cost-plus-a-fixed-fee	304 (b)
Cost-plus-a-percentage-of-cost	304 (b)
Engineering services	304 (b)
Fees for experimental, developmental or research work	304 (b)
Incentive-type	304 (b)
Inspection of contractors' plans	304 (b)
Negotiation of:	
Advance publicity, amounts in excess of \$10,000	302 (b)
Contract requirements	304
Preservation of data with respect to	307 (d)
When authorized	302 (c)
Amounts not exceeding \$1,000	302 (c) (3)
Buildings, roads, sidewalks, etc	302 (e)
Character and ingredients not to be disclosed	302 (c) (11)
Competition impractical to secure	302 (c) (9)
Developmental work or test	302 (c) (10)
Educational institutions, services rendered by	302 (c) (5)
Experimental, developmental or research work or test	302 (c) (10)
Foreign procurement and use	302 (c) (6)
Medicine and medical supplies	302 (a) (7)
National emergency, period of	302 (c) (1)
Personal services	302 (c) (4)
Professional services	302 (c) (4)
Public exigency not admitting of delay	302 (c) (2)
Rejected bids	302 (c) (13)
Research work or test	302 (c) (10)
Supplies for resale	302 (c) (8)
Technical equipment	302 (c) (12)
Plans, right of procuring agency to inspect	304 (b)
Preservation of findings and data with respect to	307 (c), (d)
Purchase order exceeding \$25,000 or 5 percent, advance notification by contractor	304 (b)
Small-business concerns	302 (b)
Stationery and supplies, exemption from one-year requirement	310
Subcontracts	304 (b)
Waiver of liquidated damages	306
Warranty by contractor as to payment of commission, percentage, etc	304 (a)
Costs of, payment from General Supply Fund, <i>See</i> General Supply Fund.	
Damages, liquidated, waiver of	306
Declaration of purpose of Title III	301
Functions and duties of Administrator with respect to. <i>See</i> Authority above.	
General Supply Fund. <i>See</i> main heading General Supply Fund.	
National Military Establishment, authority of Secretary of Defense to exempt	201 (a)
Negotiated contracts and purchases. <i>See</i> Contracts and purchases above.	
Policies and methods, authority of Administrator to prescribe	201 (a) (1)
Public buildings or improvements	302 (e)
Purchases. <i>See</i> Contracts and purchases above.	
Purpose, declaration of	301
Small-business concerns	302 (b)
Statutes relating to procurement:	
Continued in effect	308, 502 (d)
Not applicable	310

Procurement, warehousing, and related activities—Continued	Section
Supplies, defined.....	309 (b)
Waiver of liquidated damages.....	306
Professional services, procurement of without advertising.....	302 (c) (4)
Property (<i>see also</i> Excess property; Personal property; Real property; Surplus property).	
Definition of.....	3 (d), (e), (f), (g)
Property management practices, surveys authorized.....	206 (a) (1)
Property utilization. <i>See</i> Excess property.	
Public buildings, authorization required.....	302 (e)
Public Buildings, Commissioner of:	
Abolishment of office of.....	103 (b)
Procedures, policies, and directives of, continued in effect.....	501 (c)
Transfer of functions.....	103 (a)
Public Buildings Administration:	
Abolishment.....	103 (b)
Applicability of existing regulations and procedures.....	501 (c)
Commissioner of. <i>See</i> Public Buildings, Commissioner of.	
Construction or repair of buildings.....	302 (e)
Property management survey authorized.....	206 (a)
Space, assignment, and reassignment.....	202 (g)
Status of transferred employees.....	108
Transfer to Commerce Department.....	103 (a), note
Transfer of functions, personnel, etc.....	103 (a), 107 (a)
Public health, use of surplus real property for.....	203 (k)
Public improvements, authorization required.....	302 (e)
Public Printer:	
Forms and blankbook work, purchase from or through.....	109 (a) (1)
Public Roads, Bureau of:	
Applicability of existing regulations and procedures.....	501
Redesignation as.....	103 (a)
Status of transferred employees.....	108
Transfer to Commerce Department.....	103 (a), note
Transfer to General Services Administration.....	103 (a), 107 (a)
Public Roads, Commissioner of:	
Procedures, policies, and directives of, continued in effect.....	501 (c)
Transfer of functions.....	103 (a), note
Public Roads Administration. <i>See</i> Public Roads, Bureau of; Public Roads, Commissioner of.	
Public utilities, authority of Administrator to represent agencies in connection with.....	201 (a) (4)
Public utility services:	
Contracts for, duration.....	201 (a) (3)
Management of, Administrator to prescribe policies and methods.....	201 (a) (1)
Negotiations for.....	201 (a) (4)
Purchase specifications, standard:	
Authority to prescribe.....	206 (a) (4)
Utilization by Federal agencies.....	206 (b)

R

Real property (<i>see also</i> Excess property; Surplus property):	
Space in, temporary assignments or reassignments.....	202 (g)
Reassignments of excess property. <i>See</i> Excess property.	
Records:	
<i>See also</i> Records management.	
Transfers to General Services Administration in connection with transfers of functions. <i>See</i> name of specific agency.	
Records management:	
Central storage of noncurrent records.....	104 (c) (2)
Controls, improved, promotion in cooperation with executive agencies.....	104 (c) (2)
Disposal practices, surveys authorized.....	104 (c) (1)
Disposition of noncurrent records.....	104 (c) (2)

Records management—Continued

Reports:	Section
From Federal agencies to Administrator of General Services	104 (c) (1)
To Budget Bureau	104 (c) (3)
To Congress	104 (c) (3)
Storage, central, of noncurrent records	104 (c) (2)
Surveys authorized	104 (c) (1)
Redelegations of authority. <i>See</i> Authority.	
Regulations, policies, directives, etc.:	
Administrator, general authority to prescribe regulations	205 (c)
Under other statutes	502 (d) (18)
Contractor inventory, disposal of	203 (f)
Donations or assignments for educational or other purposes	203 (j) (1), (k) (1)
Exchanges of personal property	201 (c)
Executive agencies, issuance of orders and directives by	205 (c)
Property accounting	205 (b)
President to prescribe policies and directives	205 (a), 404 (a)
Transfers of excess property	202 (b), (f)
Repair shops, authority of Administrator to operate	201 (a) (2)
Repairing and converting, Administrator to prescribe policies and methods	201 (a) (1)
Repeal and savings provisions	502
Reports to be submitted:	
Accounting principles and standards, failure to comply with	205 (b)
Annual report of Administrator	210
Excess property in executive agencies	202 (b) (2)
Excessive stocking	206 (a) (2)
Experimental or development work, contracts for	302 (c) (10)
Foreign disposals	404 (d)
General Supply Fund	109 (e)
Property and property management practices	206 (a) (1)
Reassignments or transfers of property	202 (f)
Records management activities	104 (c)
Research:	
Disposal of surplus real property for	203 (k)
Procurement for without advertising	302 (c) (10)
Roosevelt Library, Board of Trustees of:	
Functions of Archivist of the United States with respect to	104 (a)
Transfer to General Services Administration	104 (b)
S	
Savings provisions	502
Schools, transfer of surplus property to	203 (j), (k)
Senate:	
Procurement for at request of	201 (b)
Separability of provisions	504
Short title	1
Small business concerns, fair proportion of procurement to be through	302 (b)
Space in excess real property, assignment and reassignment	202 (g)
Special deposit account (<i>see also</i> General Supply Fund):	
Use in connection with proceeds from disposals or transfers	204 (c), 403
Specifications, purchase. <i>See</i> Purchase specifications.	
Standardization of practices, forms, etc	206
State Department:	
Foreign excess property functions	401
Transfer of records, personnel, etc., relating to	404 (e)
States and Territories, transfer of surplus property to	203 (j), (k)
Statutes:	
Continued in effect	308, 502 (d)
Not applicable	310
Repealed	502 (a)
Stenographic services, employment of	208 (b)
Storage, policies and methods	201 (a) (1)

Storage of records. <i>See</i> Records and records management.	Section
Strategic or critical material, acceptance in lieu of cash	204 (e)
Supplies and services (<i>see also</i> Excess property; Procurement; Surplus property):	
Definition	309 (b)
General Supply Fund	109
Inventories	206 (a)
Uniform catalog and purchase	206 (a), (b)
Supply centers:	
Authority of Administrator to operate	201 (a) (2)
Surplus property, definition of	3 (g)
Surplus property, disposal of:	
Abandoned property on premises	203 (l)
Abandonment of	202 (h)
Advertising	203 (e)
Agricultural commodities	203 (g), (h)
Antitrust laws, applicability of	207
Armed forces, use by. <i>See</i> Educational, public health, and other purposes.	
Authorities not affected by Act	502 (d)
Books, donations of for educational purposes	203 (j)
Care and handling of	203 (b)
Compliance with terms of transfer, enforcement	203 (k) (2)
Contractor inventory	203 (f)
Cotton goods	203 (g), (h)
Destruction of	202 (h)
Direction and supervision of	203 (a)
Documents regarding:	
Amendment, enforcement of	203 (k) (2)
Execution of	203 (c), (d)
Releases from	203 (k) (2) (iii)
Donations of	202 (h), 203 (j)
Educational public health, and other purposes, use for:	
Books, equipment, supplies, etc., donations of	203 (j)
Compliance with terms of transfer, enforcement	203 (k) (2) (i)
Correction or amendment of instruments	203 (k) (2) (ii)
Determination as to usability or need to be made by:	
Federal Security Administrator	203 (j) (2), (k) (1)
Secretary of Defense	203 (j) (3)
Parks and recreational areas	203 (k) (2)
Public health purposes	203 (k)
Real property	203 (k)
Release of conditions in disposal instruments	203 (k) (2) (iii)
Research	203 (k)
Training of armed forces	203 (k) (2)
Foods	203 (g), (h)
Foreign. <i>See</i> Excess property.	
General provisions	203 (a)
Instrument of conveyance, effect of	203 (d)
Compliance with	203 (k) (2)
Merchant vessels	203 (i)
Methods	203 (c)
Parks and recreation areas, use for. <i>See</i> Educational, public health, and other purposes.	
Proceeds from. <i>See main heading</i> Proceeds from disposals or transfers.	
Public health purposes, use for. <i>See</i> Educational, public health, and other purposes.	
Regulations governing:	
Contractor inventory	203 (f)
Donations or assignments for educational, public health, and other purposes:	
Personal property	203 (j) (1)
Real property	203 (k) (1)
Research, use for. <i>See</i> Educational, public health, and other purposes.	

Surplus property, disposal of—Continued	Section
Training and maintenance of civilian components of armed forces. <i>See</i>	
Educational, public health, and other purposes.	
Vessels of 1,500 gross tons or more-----	203 (i)
Woolen goods-----	203 (g), (h)
Surplus Property Act of 1944:	
Amendment or reformation of disposal instruments-----	203 (k) (2) (ii)
Applicability of existing regulations and procedures under-----	501
Credit, extension under-----	204 (f)
Enforcement of terms of disposal-----	203 (k) (2) (i)
Foreign currencies and credits, use of to effectuate sec. 32 (b) (2)	
of-----	401 (b)
Personnel appointed under sec. 5 (b) of-----	105
Release of conditions in disposal instruments-----	203 (k) (2) (iii)
Repeal of-----	502 (a) (1)
Surveys authorized or required:	
Property-----	202 (b)
Management practices-----	206 (a) (1)
Records-----	104 (c)

T

Technical equipment, procurement of without advertising-----	302 (c) (12)
Territories. <i>See</i> States.	
Trade-ins-----	201 (c)
Traffic management, policies and methods-----	201 (a) (1)
Transfer and counterwarrant. <i>See</i> General Supply Fund.	
Transfer authority, authorization for-----	503
Transfers of excess property. <i>See</i> Excess property.	
Transportation, policies and methods-----	201 (a) (1)
Treasury, Secretary of:	
Foreign currencies and credits, establishment of procedures gov-	
erning-----	401 (c), 403 (a)
Functions, supply and contract settlement, transfer to Administrator	
of General Services-----	102
Treasury, United States:	
Coverage into of proceeds of transfer or disposition of property-----	204
Foreign disposals-----	401 (c), 403 (b)
Deposit with in special account of proceeds of disposition or	
transfer-----	204 (c), 403
General Supply Fund. <i>See</i> General Supply Fund.	
Treasury Department (<i>see also</i> Treasury, United States; Treasury, Sec-	
retary of):	
Applicability of existing regulations and procedures-----	501
Bureau of Federal Supply:	
Abolishment-----	102 (a)
Applicability of existing regulations and procedures-----	501
To prices paid by requisitioning agencies-----	109 (b)
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	102 (a), (c), 107 (a)
Contract settlement functions, transfer-----	102 (b)
Functions, personnel, records, etc., transfer of-----	102, 107 (a)
General Supply Fund, use of special deposit account by disbursing	
officers-----	109 (d)
Status of transferred employees-----	108

U

United States Maritime Commisison:	
Disposal of surplus vessels-----	203 (i)
Universities:	
Procurement for without advertising-----	302 (c) (5)
Transfer of surplus property to-----	203 (j), (k)
Utilities, public. <i>See</i> Public utility services; Public utilities.	
Utilization of property. <i>See</i> Excess property.	

V

Vessels, surplus, disposal of-----	Section 203 (i)
------------------------------------	--------------------

W

Waiver of liquidated damages-----	306
Walsh-Healey Act, effect of-----	308
War Assets Administration:	
Abolishment-----	105
Applicability of existing regulations and procedures-----	501
Personnel holding appointments under sec. 5 (b) of Surplus Property Act of 1944-----	105
Status of transferred employees-----	108
Transfer of functions, personnel, etc-----	105
War Assets Administrator:	
Abolishment of and Associate War Assets Administrator-----	105
Transfer of functions-----	105
Warehouses, authority of Administrator to operate-----	201 (a) (2)
Warehousing. See Procurement, warehousing and related activities.	
Woolen goods, surplus, disposal of-----	203 (g), (h), 402 (a)